

Hussein Seen Willing To Hold Up Arms Bid Until U.S. Fall Election

By Edward Cody
Washington Post Service

AMMAN — King Hussein of Jordan is willing to wait until after next fall's U.S. elections before pressing his case for buying sophisticated U.S. warplanes and mobile Hawk missile systems, authoritative sources say.

The monarch's patience allows the Reagan administration to avoid letting the vehement Israeli opposition to such a sale turn the Jordanian arms requests into a hot issue in the congressional voting, while at the same time keeping it on the agenda for later consideration.

The Jordanians know how the U.S. political system works, "said a diplomat here. "They're not dummies."

King Hussein has expressed interest in buying F-16 warplanes, perhaps along with F-5Gs, and mobile improved Hawk anti-aircraft missile batteries. Because these weapons would reduce Israel's currently overwhelming air superiority over Jordan, Prime Minister Menachem Begin's government has vowed to oppose the sale in the U.S. Congress.

Against this background, the U.S.-Jordanian joint military commission met last week in Amman, with Assistant Secretary of Defense Francis J. West Jr. leading the American side and King Hussein the Jordanian side. King Hussein subsequently expressed "frustration" at the administration's reticence, the sources said Wednesday, but withheld putting forward a formal request for the new equipment because of the political atmosphere in Washington.

1975 Missile Controversy

Despite the suggestion of new U.S. arms sales raised during Defense Secretary Caspar W. Weinberger's visit here two months ago, the Reagan administration is believed eager to avoid the kind of political battle that surrounded the sale of less sophisticated Hawk missiles to Jordan in 1975. That controversy was settled by making the missiles immobile in concrete, a restriction King Hussein has since described as intolerable.

The Jordanian monarch has already announced his intention to buy SAM-3 anti-aircraft missiles from the Soviet Union, a purchase

the Reagan administration is seeking to head off.

Diplomatic sources said that technically at least, Jordan could buy the SAM-3 missiles for low-altitude protection while still buying the improved Hawk system from the United States for higher-altitude coverage. But, they suggested, political realities would make it more difficult for Washington to agree to sell improved Hawks if Jordan goes ahead with the Soviet deal.

King Hussein frequently has used the popularity of Soviet arms purchases as a tool to pry a more favorable response out of the United States. But informed sources in Amman say he now is more than ever considering buying Soviet equipment if he cannot fulfill his needs in the United States. A team of Soviet specialists recently arrived here for talks on Jordan's interest in the SAM-3 missiles, diplomatic sources reported.

Potential Threats

Hussein and his military leadership are looking at Syria and the threat of Iranian-caused trouble in the Gulf as the principal potential threats in the coming years, authoritative sources said Wednesday. At the same time, the monarch is eager to have a more credible defense against Israel, they added.

He is said to be particularly concerned about Syria. Jordanian intelligence reports say Damascus soon will have 1,000 T-72 tanks, the most modern Soviet armored vehicle and rated by experts as among the best in the world. Syria deployed two armored divisions along the Jordanian border in the fall of 1980, when it was thought King Hussein might send reinforcements to Iraq in its war

with Iran. On the one hand, the monarch deplores President Hafez al-Assad's alliance with Iran against Iraq in a war that King Hussein feels poses a threat to the entire Arab world, they said. On the other hand, he worries over the apparent Syrian intention to frustrate any attempt to draw the Arab world together around a moderate alternative to Camp David that would include Egypt now that the Sinai has been recovered.

King Hussein fears that an Iranian victory over Iraq could lead to a dangerous radical grouping of the Shiite regime in Tehran, an Iraq run by like-thinking Shiite Arabs and the Soviet-backed Assad government dominated by Alawite Moslems, an offshoot of Shias. This, he is authoritatively reported to feel, would pose a threat to the Sunnite Moslem monarchies such as those that run the Gulf oil countries — and Jordan.

Mexican Bus Crash Kills 9

United Press International

MEXICO CITY — A bus carrying 45 passengers ran off a cliff, killing nine persons and injuring 36, the newspaper *El Universal* said Wednesday. It said the accident took place Tuesday on a mountain road about 120 miles (195 kilometers) southwest of here.



VISIT REFUSED — Interned union leader Lech Walesa was refused permission for a visit this week from his wife, Danuta — shown here with two of their children — because of the recent demonstrations, a Warsaw spokesman said Thursday.

Polish Protests Underscore Depth of Public Opposition

(Continued from Page 1)

the church was gradually drawn into a more distant posture of criticism.

The key issue pointing up the government's inability to make a decision was that of the trade union movement. After a perfidious and carefully engineered "public

Bankers say the unrest in Poland may complicate the next round talks on its debt. Page 15.

discussion" on what shape unions should take, the issue was still unresolved on May Day, the day celebrated by unions the world over.

"The truth is that Jaruzelski is indecisive and vacillating," said an adviser well-connected to the leadership. "He keeps pointing to the hills coming up before parliament as if they were solid achievements. He didn't know what to do with power once he got it. Underneath there are all these factions pulling to different directions. So he did what [former party leader Stanislaw] Kania and others have done before him — nothing."

In the meantime, the adviser noted, the impact of martial law was wearing off, because "people aren't scared anymore."

This much was shown by the demonstrations themselves, to which young men responded to volleys of tear gas by picking up

the canisters and throwing them back at riot policemen. The government, noting that many demonstrations occurred the same day, called this evidence that a conspiracy between anti-Communists and Western imperialists abroad was at work.

There are, however, other explanations. It is undoubtedly true that the remnants of the Solidarity leadership in hiding are becoming more organized. An indication of this was a statement released two weeks ago by the regional Solidarity leaders from Warsaw, Lower Silesia, Krakow and Gdansk, saying they had met April 22 to coordinate action and had formed a temporary coordinating commission underground to guide the suspended union.

But in talking with demonstrators and reading the mood of the country, one can come to the conclusion that not much organization was necessary. On the eve of the demonstrations, it seemed, almost everyone knew they would occur.

The protests appeared to be a natural explosion from a conglomeration of combustible elements — economic frustration, political dissatisfaction and a gradual erosion of fear. Since these elements will not easily disappear, more demonstrations are likely, unless the government moves quickly toward a genuine "accord."

Battle for Falklands May Aid Conservatives In British By-Elections

By R. W. Apple Jr.
New York Times Service

LONDON — The battle for the Falkland Islands was expected to give Prime Minister Margaret Thatcher's Conservative Party a substantial boost in Thursday's local elections in many parts of Britain.

Before the Argentine invasion April 2, most politicians had thought the Tories would take a drubbing in the elections, mainly because of continuing high unemployment and slow economic recovery. But the fighting in the South Atlantic, with Mrs. Thatcher popularly portrayed as the avenger of the humiliation, has apparently pushed the economy to the back of most voters' minds.

"She, and, by extension, her party are thoroughly wrapped in the Union Jack," said a disgruntled campaigner for the opposition Labor Party. "At a moment when our fleet is under attack, when our men are dying, that is an enormous asset quite beyond compare."

But it will probably be the new Social Democratic Party, not Labor, that suffers most. Having scored a series of notable by-election successes, culminating in the victory of Roy Jenkins in the Glasgow constituency Hillhead in March, the Social Democrats had hoped that Thursday's election would demonstrate once and for all that they were a serious third force in all sections of the country.

Popularity Declines

The popularity of the Social Democrats and their Liberal allies is slipping with each new opinion poll. It stands at about 25 percent, down from as much as 40 percent last year. At that percentage, the Social Democrats can expect to finish second in many races but to win in relatively few.

The Social Democrats' credibility and attractiveness depend in part on the two major parties seeming inept. The Falklands crisis has made the Tories more popular by switching public attention from domestic to foreign concerns, and it has masked Labor's divisions.

The public mood, however, appears highly volatile, although it does not seem to have turned against Mrs. Thatcher because of the loss of the destroyer *Sheffield* Tuesday. In the long term, Tory

fortunes are linked to the resolution of the crisis, and Labor's unity is unlikely to last. So any setback for the alliance in the local elections could prove to be short-lived.

Nevertheless, Social Democratic leaders are worried. William Rodgers, one of the four leaders of the party, predicted last weekend that it would not do well, and Mr. Jenkins, another of the four, has been trying to turn voters' attention away from the Falklands.

Opinion Poll

A National Opinion Poll taken in 20 London boroughs showed that 24 percent of potential Tory voters considered the crisis either the most important issue or one of the most important in the election. The same poll showed the Conservatives with 40 percent of the vote, Labor with 34 percent and the alliance with 25, a strong showing for the Tories in that area.

A total of 4,800 seats will be contested in the 32 London boroughs, the 36 metropolitan areas outside London, 103 rural districts in England and 12 regional authorities in Scotland. In some cases whole councils will be elected, but in most only a third of the seats are at stake.

The Social Democrats have put up 2,300 candidates and the Liberals, 2,500. The alliance's latest forecasts, based on the polls and on canvassing returns, are that the Liberals will win about 400 seats and the Social Democrats about 200. That would be viewed in political circles as a considerable accomplishment but not as the kind of breakthrough the alliance sought.

Mrs. Thatcher will no doubt claim a victory even if the Tory vote is off slightly from that in the last local balloting four years ago. The party in power almost always does well in local elections at the mid-point of its term.

Two more tests for the prime minister are also due in the next month, when the outcome of the Falklands dispute may be clearer. It was announced Wednesday that parliamentary by-elections would take place at Beaconsfield, a strong Tory seat to the prosperous suburb west of London, on May 27 and at Mitcham and Morden, a marginal Labor seat to South London, on June 3.

WORLD NEWS BRIEFS

Compiled From Agency Dispatches

Bush Confident on U.S.-China Links

HANGZHOU, China — The agreements between the United States and China far outweigh the "few differences" separating them, Vice President Bush said Thursday on the eve of talks in which he will try to defuse the Taiwan issue.

Mr. Bush talked with State Department officials and U.S. Ambassador Arthur W. Hummel Jr. about U.S.-Chinese relations, including the Taiwan problem.

"We have over the past decade discovered that areas of mutual agreement and areas of mutual cooperation by far outweigh the few differences between us," Mr. Bush said in a banquet toast.

Italy Christian Democrats Pick Chief

ROME — The Christian Democrats Thursday elected Ciriaco de Mita, 54, as party secretary. This reflected a new alignment of factions within the party rather than a major shift in policy, political analysts said.

But one consequence of his election at a party congress in Rome is likely to be a tougher Christian Democratic line with the Socialists to the country's coalition government, they added.

Mr. de Mita, a lawyer, received 55 percent of the votes cast by delegates at the congress, beating out his only rival, Arnaldo Forlani. The two differed only marginally on party policy. But the analysts said Mr. Forlani, who was the nation's premier until his coalition government was toppled a year ago, was too closely identified with the party's old guard.

Jakarta Denies Vote Fraud Charges

JAKARTA — Indonesia's elections board Thursday denied opposition charges of vote-rigging in Tuesday's general elections, which gave an overwhelming mandate to the government of President Suharto, in power for the last 16 years.

Latest provisional figures by the board, which had counted over 90 percent of the votes, gave the ruling Golkar Party 63.5 percent of the popular vote in the elections for a new parliament.

The main opposition group, the Molesum United Development Party, has charged that some Golkar supporters voted twice and that some known opponents were denied voting papers.

Peking to Increase Defense Budget

PEKING — China has reversed a two-year decline in defense spending and will raise its 1982 military budget by \$944 million to the equivalent of \$9.9 billion, the People's Daily reported Thursday.

The world's largest army of 4.5 million relies on weapons that in many cases date to the Korean War. Although the announcement coincided with the visit of U.S. Vice President Bush, there was no indication that he would discuss China's military needs.

The increased spending is not only directed toward the Soviet Union, which the Chinese consider their most dangerous enemy, but against Vietnam, whose well-equipped military forces have generally outperformed the Chinese in border clashes in recent years.

World Labor Group Criticizes Israel

GENEVA — The International Labor Organization criticized Israel Thursday over working conditions of Arabs in occupied territories.

A report prepared for the ILO's annual conference next month said Israel used Arab children as farm and factory workers, kept job training for Arabs at a low level and exercised tight control over Arab trade unions.

Taking of Arab land and regulation of water rights in the occupied territories gives the Arabs a "prevailing feeling that they are gradually being dispossessed of their heritage, of their very means of existence and, above all, the sense of their own identity," the report by a special ILO mission said.

U.S. Navy Chief Defends Role of Surface Ships

alone to Sen. Gary Hart, a Colorado Democrat, who has pushed for smaller, destroyer-type vessels to that situation are especially vulnerable to the kind of attack that Argentina launched.

The United States now has 13 big aircraft carriers. Mr. Lehman wants two more, at a cost of \$3.4 billion apiece, as part of a five-year, \$96-billion shipbuilding program. The goal is a force of 15 carriers, each with an array of protective ships and aircraft carriers.

The Navy chief argues that these ships, with 90 or 100 jets aboard, carry enough radar surveillance planes, electronic-warfare planes and fighters to keep an aerial hunter-killer force aloft 24 hours a day with the ability to "see" in all directions to about 450 miles (720 kilometers) from the carriers.

The small British carriers

Hermes and Invincible

are good ships, Mr. Lehman said, but they have only about 10 Harrier jump-jets each and cannot provide anywhere near the protection over an area offered by U.S. groups. "The Harriers are good but have very limited range and short-range radars, and they don't have enough of them to protect the formation all the time," he said.

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The

Russia Does Not Lead In Chemical Warfare, U.S. Hearing Is Told

By Philip J. Hilts
Washington Post Service

WASHINGTON — Five experts in chemical warfare have testified that there is no evidence the Russians are ahead of the United States in making or stockpiling chemical weapons and the Reagan administration's push to build new nerve gas weapons could threaten plans to build up conventional forces in Europe.

The experts, all opponents of the new chemical weapons program, opened a two-day hearing before the Senate Appropriations Committee Wednesday, attacking each of the points that the military has used to argue for new chemical weapons.

The Reagan administration is seeking \$34 million in fiscal 1983 to begin production of binary artillery shells, so called because they contain two separate components that form a lethal nerve gas mix after the shell is fired. The binaries are considered safer to handle and store.

Matthew Meselson, a Harvard biochemist and chemical weapons consultant to each administration since President John F. Kennedy, said the United States has enough nerve gas shells to wage war in Europe, with regular chemical barrages for at least 90 days and to supply all NATO forces as well.

Civilian Casualties

Such shells will cause immense civilian casualties, and he said he does not believe they would be at all effective, because the Russians would simply don protective gear.

Several witnesses asserted that chemical weapons are no longer considered useful to produce casualties, but merely to force opponents into protective gear.

Julian Perry Robinson of the University of Sussex in England testified that Europeans are already very sensitive to the subject of storing or using American chemical weapons on their soil. A new generation of chemical weapons would inflame European sensibilities even further, he said.

It also would threaten readiness

for conventional war, he continued, because it would "undermine and even in some cases destroy the delicate political compromises which have been reached on upgrading conventional weapons" in Europe.

Sen. Jake Garn, Republican of Utah, who favors the new weapons, disputed the argument that they are needed to replace deteriorating old ones. He said that there had been no accident in 35 years of stockpiling the weapons in his state.

A few internal parts of nerve gas weapons were found to be leaking, he said, but the amounts were so small that if you put a human being inside an outer casing for eight hours with the leak, there would be virtually no harm.

Ready for Shipment

Mr. Meselson said that all the nerve gas shells that would be superseded by the new weapons are now listed to top condition and ready for immediate shipment and use according to the Army's own classification. He said that each new shell would cost \$550, compared with \$20 to \$30 to maintain a current round.

Each witness said there had been no significant safety problem in 35 years of nerve gas storage. Mr. Meselson added that the new binaries would be bulkier to ship and more difficult to assemble than the current rugged, simple shells.

Appropriations Committee Chairman Mark O. Hatfield, Republican of Oregon, also contended that at a time of budget austerity, "producing chemical munitions may mean forgoing other steps aimed at enhancing national security, including other conventional defense priorities."

Also testifying were James F. Leonard, a former senior official in the Arms Control and Disarmament Agency; retired Rear Adm. Thomas D. Davies, former assistant director of the agency, and Saul Hormats, who directed development of the Army's current chemical munitions and protective equipment.



LEAVING TRIAL — John W. Hinckley Sr. and his wife, Joann, leave the Washington courthouse where their son is on trial for attempting to assassinate President Reagan. Mrs. Hinckley, who became the lead witness for the defense Thursday, said her son was a friendless drifter who had become increasingly anti-social in recent years.

Foreign Shares in U.S. Farmland Up Sharply to Nearly 1% of Total

Washington Post Service

WASHINGTON — The amount of U.S. agricultural land wholly or partly owned by foreigners increased nearly 63 percent last year, to 12.7 million acres, and is now nearly 1 percent of all privately held farmland, according to the Agriculture Department's annual survey.

The foreign holdings are widely scattered, however, and provide no basis for a common belief that substantial amounts of farmland are being bought by foreigners and taken out of agricultural use, the survey says.

Under the 1978 Agriculture Foreign Investment Disclosure Act, land owned by any corporation of which foreigners hold at least 5 percent must be registered as for-

ign-owned. When Canadian investors acquired a 20-percent share in Scott Paper Co. last year, for example, Scott's 2.1 million acres of timberland in Maine and other states were included in the list of foreign-held acreage. More than half of all the farmland listed by the Agriculture Department as foreign-owned is owned by U.S. corporations, of which foreigners held less than 50 percent, the report says.

According to the annual report, the value of the 12.7 million acres classified as foreign-owned is \$8.45 billion.

Shultz Sent On Economic Trip Abroad

By Hobart Rowen
Washington Post Service

WASHINGTON — President Reagan has sent the former secretary of the Treasury, George P. Shultz, on a personal mission to the other heads of state the president will meet at an economic

meeting in France early next month.

Mr. Shultz was scheduled to travel to Europe "to find out what's on the minds of these leaders" before the president goes to the meeting, according to an official. He will also visit Canada, and may go to Japan, White House spokesman Larry M. Speakes said.

He also will help in the preparation for the president's bilateral visits to Rome, London and Bonn after the meeting, according to a State Department source.

In the eight-point hierarchy of categories justifying aid, the top bracket covers countries in which aid can directly advance U.S. strategic interests. In effect, this category is tailored for Israel and Egypt — the largest recipients of U.S. aid — and for El Salvador, diplomats said.

State Department officials stressed that Mr. Shultz had not taken over the role of an official "preparer," a task being overseen by the assistant secretary of state, Robert D. Hormats. But they said that Mr. Shultz and Mr. Hormats would work closely together.

Mr. Shultz, once considered by the president for a Cabinet post, is presently chairman of the president's Economic Advisory Board, a panel of outside economic experts.

The meeting will be held June 4-6 in Versailles among the heads of state and government of the United States, Britain, France, Italy, West Germany, Canada and Japan.

U.S. Is Said to Tie Aid to Security

(Continued from Page 1)

redirect the bulk of U.S. aid into bilateral programs for key allies.

While the Reagan administration's 1983 aid proposal of about \$9.5 billion represents an increase of nearly 20 percent over the previous year, most of it is intended for a few strategic countries. Within the budget as a whole, the part earmarked as "security assistance," which includes \$2 billion in military aid, increased by more than one-third. In addition, the administration has submitted a \$4-billion appropriation to guarantee the financing of arms sales — a form of

East. Other obvious beneficiaries include Oman, Somalia, Kenya and Pakistan, as well as some Caribbean nations where the Reagan administration has sought expanded military cooperation.

To effect, the Reagan administration is abandoning the fiction that aid and base rights are separate issues," a diplomat said. Also affected by this new approach are NATO allies Turkey and Greece, where base negotiations are underway, and Spain, where base negotiations are pending.

The middle range of reasons for U.S. aid covers, essentially, countries whose political institutions are threatened by outside powers, the sources said. This description includes the Reagan administration's campaign against Communist-backed terrorism in Central and Latin America, Africa and Asia.

Other themes of the aid plan, the sources said, include repelling Soviet influence, helping stabilize countries that provide natural resources imported by the United States, and broadening opportunities for U.S. business to expand its activities and influence in foreign markets.

Traditional Concerns

At the end of the 5,000-word document, the last category of possible justifications for U.S. aid mentions some traditional concerns about global economic development.

Even as a low-level priority, the document said, this consideration should be limited to countries where the injection of U.S. resources could make a critical difference.

As outlined in the document, the thrust of U.S. aid policy runs

counter to the aid philosophies of most Third World countries, oil-exporting donors, European Socialist governments and international aid organizations, which stress long-term economic and social development as the key to international stability.

This view apparently enjoys wide support in U.S. public opinion. Recent U.S. opinion polls, international aid officials said, reveal that most Americans believe the United States is outstandingly generous in helping other countries but has received little of the international popularity that Americans expected in return.

In fact, U.S. aid as a share of per capita national wealth has been declining steadily over the last decade; the United States is now among the least generous industrial countries.

The Reagan administration, while accelerating this trend away from aid, espouses the doctrine to justify the policy. "We have become increasingly self-interested in making aid decisions in recent years, but clung to a liberal rhetoric," a U.S. official said, adding: "Now we are simply bringing theory into line with practice."

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Polls Find Confusion on N-Freeze

By Adam Clymer
New York Times Service

Reagan to Speak on Arms Control

Washington Post Service

WASHINGTON — President Reagan plans to speak at his alma mater Sunday on arms control issues, and he may outline his administration's approach to a new round of strategic arms limitation talks, White House officials said.

The White House announced Wednesday that an interagency task force working on proposals for the arms-reduction talks had completed its work and forwarded a set of options to the president.

Meanwhile, informed sources said that Mr. Reagan would use the commencement address at Eureka College in Eureka, Ill., to speak on arms control. Whether he will have made final choices on a new negotiating initiative by Sunday is unclear.

The Reagan administration has been sharply divided on how best to measure the destructive power of thermonuclear weapons. But sources said Wednesday that the administration is likely to propose to give up some U.S. warheads if the Russians give up some of their larger weapons.

Carter Calls for New Talks

STOCKHOLM (Reuters) — Former President Jimmy Carter said Thursday that he hoped President Reagan would call for a resumption of East-West talks on reducing strategic nuclear weapons when he visits Europe in June.

Mr. Carter, in Stockholm on a lecture tour, said that the unratified SALT-2 treaty remained an excellent foundation for a strategic arms freeze.

"A freeze in nuclear weapons should be opposed because it would do nothing to reduce the danger of the thousands of nuclear warheads already in place and would leave the Soviet Union in a position of nuclear superiority."

His conclusion is that this ambiguity only underscores the importance of the issue. He says that any candidate who does not have a reasoned position on the nuclear freeze neglects it at his peril.

Some of Mr. Wirthlin's other questions elicit more opposition to a freeze than do the questions framed by some nonpartisan and Democratic poll takers. But the

variations only serve to reinforce the conclusion that this is an issue about which the public is concerned and confused. According to Peter D. Hart, a leading Democratic pollster, people are "acutely concerned."

Patrick H. Caddell, another poll taker often used by Democrats, stresses to candidates that the economy is 1982's key political issue. But he says the nuclear freeze concept has caused "a firestorm that goes beyond comprehension."

Mr. Hart said a poll he recently took in a Southwestern state showed that most people there think the Russians lead the United States in weaponry, but that 60 percent favored immediate arms-reduction negotiations. "The president and the secretary of state make people nervous," he said.

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INTERNATIONAL Herald Tribune

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The Poles Call Again

They waved red flags on May Day in Poland and a caged people roared forth with predictable wrath. The defiant Solidarity marchers were tolerated for a day. When that inspired more provocative challenges, the regime answered with tear gas, arrests, curfews and dead telephones. So much for the "normalization" that was going to yield relaxations of martial law this week.

The aborted show of tolerance was not a function of Poland's domestic order. It was meant to soften up Western bankers as Poland seeks new indulgence for its \$29-billion debt. But as the demonstrations prove again, there will be no social or economic order until the regime negotiates with the elected, still-detained leaders of Solidarity.

The Communists who hoped to rule by force alone have learned in Moscow that no rescue is conceivable without Western aid. Now they have learned in Warsaw that there can be no credible appeal to the West with-

out the people's cooperation. And not only in Warsaw. "It's remarkable," a government official said as the violence spread. "Some of these places are just little towns and haven't had any trouble over the last two years."

A modern nation's productivity cannot be compelled. Only a cooperative Polish people can rescue communism's reputation — and capitalism's loans. And if the Poles are to stomach a decade's austerity, they need political and spiritual rewards.

All this was at first understood by the Reagan administration. But having failed to seize the moment for a major new bargain with the Soviet bloc, it settled for firmer sanctions and propaganda. Now the Polish people call again. They have not surrendered the struggle for a more humane order. What they need is measured support for their cause: a resolute "No" to new credits or loan roll-overs until Solidarity is reborn.

THE NEW YORK TIMES.

Good Vice Presidents

No one would claim that George Bush and Walter Mondale are the two greatest leaders in American history, but a good case can be made that they are the two most useful vice presidents the country has had. And while some may say that is no great distinction, it represents an achievement that ought to be noticed. The more so since we are beginning to see the articles and cartoons that inevitably appear at this stage of the presidential term, asking, "Whatever happened to Vice President What's-his-name?"

There is a perverse rule in operation here: The usefulness of a vice president seems to vary in inverse proportion to the amount of column inches he gets in newspapers. Mr. Mondale recognized this in his rules for a vice president: Advise the president confidentially and briefly; don't overpraise the president publicly; insist on access to him, to intelligence information and to key papers; but avoid line authority assignments. These rules almost guarantee a vice president anonymity — but be the better for it.

George Bush has accepted line responsibilities as head of crisis management, as chairman of the task force on regulatory relief and as coordinator of the South Florida task force. But otherwise he has followed the Mondale formula: The evidence is that Mr. Bush has access to information and to the

president, that he speaks frankly to the president in private and loyalty about him in public, and that he performs what are staff duties ably and sensitively. Certainly the vice president struck just the right note, at a time when his actions could not have been contrived, in those awful moments of March 30, 1981.

Why has it taken so long to find good use for the position that its first holder, John Adams, called "the most insignificant office of the mind of man has yet contrived"? One reason is that vice presidents grasped for line responsibilities that inevitably got them into quarrels with Cabinet officials and the man who appoints them. Another reason may be that presidents are naturally jealous of those who are designated as their successors, as so many kings of England have been jealous of their princes of Wales.

The evolution of the vice presidency surely owes something to the good character of Presidents Carter and Reagan, and perhaps also to the capacity for principled leadership demonstrated by Mr. Mondale and Mr. Bush, who both gained many of their earlier offices by appointment. In any case, these four men have set a bipartisan model. They are owed thanks for transforming what has long been the vernacular appendix of American government into a useful organ.

THE WASHINGTON POST.

Other Opinion

Two Sides of Fleet Street

We do not cut and run because we have been hit. We do not crave a cease-fire because we have suffered a reverse.

—From the *Daily Express*.

Can we ever rule the skies of the South Atlantic without bombing military airfields on the Argentine mainland?

—From the *Daily Mail*.

Nothing that has yet occurred in this crisis can justify the accusation against the government that it is seeking a military, and only a military, solution.

—From the *Times*.

The killing has got to stop. If a settlement can be reached which puts the islands under United Nations trusteeship, then we should welcome it.

—From the *Daily Mirror*.

What was absurdity only last week — the bombing of the mainland — is openly can-

vassed now. Since the task force sailed — without, then, a very clear Whitehall notion of what it would do on arrival — the theory of military pressure as an aid to settlement has progressively asked more questions than our politicians have been able to address, let alone answer. That dismaying process appears in no way ended.

We may, as some urge, "finish the job" by repossessing Port Stanley at grave cost of life. But the job and the finish are a British definition: not an Argentinian one. Unless we give the extremity of military logic its bizarre head, we have no obvious means of conjointing reconquest with the "peaceful settlement" we so urgently and openly seek.

There is more than a hope that diplomatic logic, the logic of peaceful ways and means, can at least begin to extricate itself from the unhappy, and monumentally unproven, blend with force.

—From the *Guardian*.

Letters

Viewing Islam

Regarding the review (*IHT*, April 22) of Thomas Lippman's "Understanding Islam":

Edward Mortimer endorses without reservation the author's extraordinary statement that one of the reasons for Islam's continued strength and expansion is that it offers "free expression in a world of oppression." In Libya? Under the terror of the Iranian ayatollahs? Among the Syrians killed recently by Syria's Assad in Hama? Or perhaps in Iraq's version of the open society? London. LIONEL BLOCH.

Force Levels

Regarding "Merge the Forces?" (*IHT*, April 23):

Alton Frye's argument for a merger of the freeze proposals is fallacious to the point of being dangerous. He speaks of "overall force levels" being reduced in partnership with the deployment of new strategic weapons. How is "force level" measured? The new weapons generations are not, as he suggests, more stabilizing.

They are less detectable; verification rapidly becomes a dream. They are more accurate, and now only relevant to plans for a first strike. Many are faster and more evasive in delivery.

Every new weapon deployed by either side makes negotiations more difficult and real security more distant. Mr. Frye seems to accept the much publicized and often justified argument of "negotiating from strength."

There will be no reduction as long as we continue to accept the military doublethink whereby one's own increases are seen as enhancing balanced negotiations while those of the other side are evidence of aggressive intent.

ALFRED SIMON WILLIS, Quaker United Nations Office, Geneva.

Deir Yasin

In response to J.M. Bradley (*Letters*, March 22): Writing from Bonn, Mr. Bradley calls the Irgun "a terrorist gang, one of whose notable accomplishments was the massacre of 250 men, women and children in the Arab village of Deir Yasin." If it is a notable

FRED S. STERN, Carmarthen, Wales.

Jewish Dignity

Regarding "When Israel Disarms Its Supporters" (*IHT*, April 23): Stanley Karnow should realize that the Jewish people needs dignity, like any other people, and not merely "Arabolerance" and "American support." Brussels. G. FRANCO.

May 7: From Our Pages of 75 and 50 Years Ago

1907: Actress Ellen Terry Weds

NEW YORK — Mr. James Carew, leading man in Miss Ellen Terry's company, has announced that he was married to that actress at Pittsburgh on March 22 last. The ceremony, performed by a justice of the peace, was attended by Miss Edith Craig, Miss Terry's daughter. Her son, Mr. Gordon Craig, who is in Italy, was notified by cable. The members of the company were kept in ignorance of the event. Mr. Carew, a native of Indiana, is a handsome robust man, 6 feet in height and 32 years of age. He says his wife will not abandon the stage. "I first fell in love with Miss Terry's art," he remarked, "and then with her."

1932: Fanatic Kills President

PARIS — Paul Doumer, 13th president of the Third Republic, has been shot and mortally wounded by Paul Gorgoulou, a White Russian political fanatic. Police said after long grilling of the demented attacker that Gorgoulou was scheming to force French declaration of war on the Soviet Union and so prevent Paris-Moscow cooperation. "I didn't wish to harm poor Doumer, but I saw France preparing to work with Russia and I wanted to oblige France to declare war," Gorgoulou, battered and weary, said in a statement at the prefecture. "I love Hitler and Mussolini immensely," he said.

'We Have Today a New Middle East'

By Tahseen M. Basheer

The writer is Egypt's ambassador to Canada

OTTAWA — The tragic confrontation between Zionists and Palestinians created a political vicious circle that lasted from 1948, when Israel was created, until April 25, when peace between Egypt and Israel was fulfilled. One should feel a guarded joy at this great achievement. What seemed impossible until just a few years ago was accomplished with good will and diligent efforts.

It offers a model to be emulated regarding the other dimensions of this conflict. The guarded feeling, however, reflects a sensitivity to the task that lies ahead — the reconciliation between Palestinians and Israelis, which constitutes the core of the problem.

Both sides of this conflict, Jews and Arabs in Palestine, have their own reservoirs of historical injustice that scar their psyches with deep wounds. Any new stirrings awaken consciousness of these wounds. Each side holds in its closet skeletons of fears and frustrations. Each side uses this politically to justify and excuse its present predicament.

Neither side believes it can do any wrong on account of these excuses and justifications. Each refuses to see the reality of the other, with all its complexity, preferring to conjure up a caricature that is both impersonal and inhuman.

Thus, each becomes even more deeply en-

trenched in its political dugout. The late Prof. J.F. Talmon of the Hebrew University in Jerusalem described the conflict as "an irresistible force and an immovable wall." Behind these walls, each side took refuge with good will and diligent efforts.

The late President Anwar Sadat's visit to Jerusalem made these walls crumble, and the Middle East will never be the same. But as in all acts of demolition, the crumbling was neither orderly nor symmetrical.

The challenge of the new construction that is now needed requires solid and equitable foundations in order to bring a structure of harmony to the prevailing chaos. We face today a unique opportunity to find ways of proceeding in building this new structure.

The majority of Arabs and Israelis support a secure and meaningful peace, no matter what the extremists and the zealous say, because the mainstream on both sides want to make their present and their future better than their recent past. Both face dilemmas, and each must confront his own.

The Israelis cannot wish the Palestinians off the map. And they cannot continue to be

occupiers — that was not their dream when they created the state of Israel.

The Palestinians have to face their own dilemmas — they cannot have their country as it was in 1914. All they can hope to do is to create in one-fifth of its territory a political structure that can fulfill their political and human aspirations. Each side also faces a tactical dilemma; each is represented by a fragile coalition made up of small factions that can upset the coalition at will. Each side also tries to avoid facing its dilemma because that requires making a decision — that is, to turn the enemy into a neighbor and the neighbor possibly into a friend.

With all the sounds of doom and gloom, of pending invasion and explosions, we have today a new Middle East where the positive forces of reconciliation have thus far defeated the forces of rejection and negativity.

Peace is here to stay, because it represents the real interest of the majority of Arabs and Israelis. For the time being, a moment of joy is well earned. At the same time, a creative resolve to settle this problem without delay is a must. The walls of hatred have crumbled. Now the task is to bring about mutual acceptance and cooperation.

This is a great historical opportunity.

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Detecting A Signal In Havana

By Anthony Lewis

WASHINGTON — With all the drama in Latin America these last weeks, relatively little attention has been paid to the development of potentially deep significance. That is the signal by the Cuban government that it is ready "to seek a relative accommodation" with the United States, based on "mutual restraint."

These phrases were used by a senior Cuban official, speaking last month with a visiting group of U.S. foreign policy experts. By all signs his comments were a calculated Cuban move to engage the United States in talks on the broad range of issues involved in the tension between the two countries.

The overture has been greeted with stony silence from the Reagan administration, or worse. Officials brushed off what was said at the meeting offhandedly, and shortly afterward they imposed new restrictions on travel to Cuba. Yet there are reasons to believe that the overture deserved a serious response — and may still get it.

The Americans, ranging in outlook from liberal to notably hawkish, went to the meeting in Havana. I talked with several and found them agreed that the occasion was of real interest and Washington would do well to respond.

Prof. Scwerny Bialer of Columbia, a leading expert on the Soviet Union, organized the group of Americans. He and another participant, Prof. Alfred Stepan of Yale, a Latin American specialist, described the experience in detail in the issue of The New York Review of Books dated May 27.

The Americans met high Cuban government and party officials, a well-informed and sophisticated group. The highest was Carlos Rafael Rodriguez, vice president, deputy premier and a member of the party Politburo.

The Cubans came across as intensely nationalistic and dedicated to the revolutionary idea. They said they would not be moved by threats, and they made no secret of their animosity toward the United States. Yet they also conveyed a sense of vulnerability, an expectation of hard times ahead.

They were anxious about the general breakdown of détente, Bialer and Stepan say, and the tough Reagan rhetoric directed at Cuba. And they were concerned about growing economic pressures on Cuba and the Soviet Union.

Accordingly, they said they wanted to talk about mutual accommodation. They said Cuba had a right to arm other revolutionaries — but was not exercising that right in El Salvador now and in fact had not sent any arms there for more than a year. They tried to impress on the visitors, as Bialer and Stepan put it, an understanding that "even revolutionary politics is the art of the possible."

El Salvador was the subject of an intriguing comment by the senior Cuban official. He said Cuba would accept an international peacekeeping force in El Salvador, including troops from such countries as France, Mexico and West Germany, to maintain a cease-fire, control arms imports and supervise new elections.

The Cubans discussed their relations with the Soviet Union. While declaring themselves loyal friends, they staked out independent positions on such issues as Afghanistan and Poland. Bialer and Stepan say the Cubans expressed their differences "more frank than the officials of any East European country, with the exception of Yugoslavia, are willing to do."

Should we believe all that? It may be true and it may not. But there is no way for the United States to find out without exploring it in talks with the Cubans. We can be amply skeptical, even warning the Cubans that there must be real restraint on their part and that talks cannot be a delaying tactic. But the United States has its own self-interested reasons for exploring the possibility of some accommodation with Cuba. To do so would greatly help the United States' position with the country that matters most to it in the region, Mexico. And it just might offer a way out of the deepening dilemma in El Salvador.

Why has the Reagan administration been so curst in dismissing the Cuban overture? Cuba is of course a highly sensitive subject on the political right in the United States. It may also be that the idea of Cuba's anathema to those in the administration who still believe — dangerously, in my view — that the El Salvador problem can be solved by military victory. That would explain the effort to prevent even public discussion of the Cuban signal, lest it weaken congressional support for military aid.

Secretary of State Haig said last week that the United States should negotiate with the Soviet Union because change taking place there "may make Moscow more amenable to the virtues of restraint." It would be anomalous to reject a similar possibility in Cuba without even exploring it. And the chance to explore it may be brief.

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Republican Talk

A Quiet Governor Worries About Jobs, Re-election

By David S. Broder

verely criticized for recommending that patience.

"We recognize," Atiyeh continued, "that inflation has been low and dramatic. However, the overriding, overwhelming need of Oregonians has not been met. Instead we are being punished by high interest rates. And the mate to that in Oregon is some unemployment."

The villain of this effect is your proposed federal deficit. I cannot allow this to happen without speaking out for those 162,100 Oregonians without work... or those who tremble at the thought they may be next. We are now impatient, especially when the situation is so well known — a controlled federal deficit which would lead to lower interest rates...

I found it incredible when you recommended a budget so out of balance that it surprised and shocked even your strongest supporters and threw freezing cold water on the money market.

In an interview last weekend, Atiyeh said he had received no formal response from Reagan. Six weeks later, there is still no genuine move under way in Washington to curb the ever-growing deficit. "I don't know what we have to do to rattle their cages," Atiyeh said.

After a decade of worrying how to preserve its environment in the face of rapid economic growth, the state now faces a stagnant or declining population, because of the crippling of housing and the timber industry. The legislature has had special sessions in each of the

last two years to cut the budget and boost emergency taxes to support vital services.

"We're like a violin string that has been tightened and tightened again; we're about to snap," Atiyeh said.

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U.S. Is Seen as Abandoning Leading Environmental Role

By Philip Shabecoff
New York Times Service

WASHINGTON — With the second United Nations conference on the world environment due to meet in Nairobi on Monday, there is growing concern among environmental groups in the United States and elsewhere that the United States is abandoning its role as the leader of the international effort to protect the environment.

At the first UN Conference on the Human Environment in Stockholm 10 years ago, the United States was in the forefront in recognizing and acting on man-made threats to land, air and water.

When the UN Environmental Program was created as a result of the Stockholm meeting, the United States became the program's major source of financial support and one of its chief technical, political and moral bulwarks.

Now, however, the Reagan administration is perceived by environmentalists and some UN officials as being in retreat on both domestic and international environmental commitments.

They point first to the reduced U.S. contribution to the UN program. The United States had been

providing \$10 million a year, or about 40 percent of the agency's total financing. When President Reagan took office, however, the Office of Management and Budget recommended that no money be provided.

At the urging of James L. Buckley, undersecretary of state for security assistance, who was a member of the U.S. delegation in Stockholm, Mr. Reagan budgeted \$2 million for the environmental program. Congress eventually appropriated \$7.55 million, but administration officials say they are seeking to lower that amount.

No Final Decision

Since Mr. Reagan took office, environmentalists have also seen the administration decide to reduce sharply the budget for the U.S. Environmental Protection Agency, relax anti-pollution rules and accelerate development of energy and minerals as public lands.

Mr. Buckley insisted recently that the perception that the United States was in retreat on environmental issues was wrong. "Our role in Nairobi," he said, "will be to continue the leadership that the United States has exercised over the past 10 years."

U.S. 'Retreating'

Mr. Buckley said an increase in direct assistance for environmentally oriented projects in recent years through the Agency for International Development significantly underscores the continued U.S. interest in those issues.

As for the charges of dwindling concern for the domestic environment, Mr. Buckley said: "What we are doing is changing methodology rather than retreating from environmental goals. There has been excessive regulation. We are now assessing the costs of that regulation and other strategies."

But Mustafa K. Tolba, executive director of the UN Environmental Program, said in a recent visit to

Washington that "the talk outside the United States is that you are retreating from your original commitment."

Mr. Tolba, an Egyptian microbiologist, said such a perception could have a snowballing effect on other countries, particularly with regard to their contributions.

Rep. Don L. Bonker, chairman of the House subcommittee on human rights and international organizations, which recently held a series of hearings on international environmental issues, said Richard Funkhauser, the Environmental Protection Agency's director of international activities, "appeared hostile to the United States commitment to international environmental activities" when he testified before the committee.

Mr. Funkhauser is scheduled to meet company Anne M. Gorsuch, administrator of the agency, to the meeting in Nairobi, where she, Mr. Buckley and Alan Hill, chairman of the White House's Council on Environmental Quality, will be leaders of the delegation.

According to administration officials, there has been substantial dispute among the government agencies involved in forming the U.S. position, particularly over the degree of emphasis on cooperation on international environmental issues through the UN agency as opposed to bilateral action and reliance on the private market to deal with problems.

With less than a week to go before the conference opens, the United States still did not have an approved official position. The delegation was scheduled to meet Thursday before leaving for Kenya.

Some administration officials concede that the United States is likely to be on the defensive in Nairobi, particularly on issues involving economic disparities between the industrialized countries and developing nations. Mr. Buckley said that the United States did not believe the UN conference was the proper forum for such issues and that the United States would try to contain them.



Sir Dawda K. Jawara

President Re-elected In Gambia

The Associated Press

BANJUL, Gambia — Sir Dawda K. Jawara was re-elected president of Gambia on Thursday by a lopsided vote generally regarded as an endorsement of Gambia's confederation with Senegal.

The Senegambian confederation went into effect Feb. 1, prompted by an attempted coup last July 30 which was put down by troops from neighboring Senegal. Sir Dawda was in London for the wedding of Prince Charles at the time of the coup attempt.

Sir Dawda, 58, who has led Gambia since independence from Britain on Feb. 18, 1965, received 72.4 percent of the vote and his People's Progressive Party won 27 of the 35 parliamentary seats an increase of two.

His opponent, Sheriff Mustapha Dibba, who ran his campaign from jail where he is being held in connection with the failed coup, received 27.6 percent of the vote.

His National Convention Party lost two of the five seats it held in parliament. The remaining five seats went to independents.

Mr. Dibba was allowed to run for office pending his May 17 trial for treason.

No vote totals were available for the election, the first in which the president was chosen by direct universal suffrage.

There are still 500 Senegalese troops in Gambia reportedly training in the Gambian police force. Gambia has no army.

Businessmen in Banjul reportedly opposed the confederation, which is intended mainly to be a customs and monetary union. Both countries retain their sovereignty and seats at the United Nations.

Before the union, over 70 percent of goods imported into Gambia, which has very low duties, were smuggled out of the country into Senegal. When the customs and monetary union goes into effect, all duties will be at the Senegalese level, depriving Gambia of its principal, if illegal, source of revenue.

Moscow Rebuffs Critics, Says Vietnam Workers In Russia Are Trained

By John F. Burns
New York Times Service

portion of the wages — one official said 40 percent — to offset living expenses.

The uncertainty was not relieved by a companion article distributed by Tass saying that the Vietnamese "at their discretion can remit part of their earnings to their families at home." While this could have been noted as a means of underlining the solicitude of the Soviet authorities, it could also have been read as an indication that the Vietnamese are not free to dispose of their entire income as they choose.

Training Aspect

The Tass article also seemed less emphatic about the training aspect of the program. It said only the Vietnamese were "sent mainly for training and work," implying that some might be coming for work only. Tass also went beyond Izvestia in offering examples of the projects to which the Vietnamese were assigned — chemical, textile and machine-building plants, and irrigation and land-reclamation projects.

The Izvestia article glossed over at least one other aspect of the program that suggested that the work element weighed as importantly as the need for training. The Tass article, quoting Leonti Kostin, a first deputy minister of the government's State Committee for Labor and Social Affairs, said the program provided for training up to five years for Vietnamese, one year in the Soviet Union and the other four at work.

At its present level, the program seems unlikely to make much impact on either the Vietnamese debt, if that is a factor, or the shortage of skilled labor in the Soviet industry. But Western analysts note that, for Vietnam, the program may constitute the only present at present of repaying any significant portion of the Soviet debt.

Response to Reports

"The whole of this training of highly skilled workers is connected with and stems from the interests of the economic advance of the Socialist Republic of Vietnam," the paper said.

The piece was presented as a response to reports in the Western press. However, the Soviet account lost some of its impact for the fact that it was long delayed. Newspapers in the West have been carrying reports for several months suggesting that Vietnamese were being used to help retire their government's debt to the Soviet Union.

Izvestia said the Soviet Union had written off Vietnam's debts after the Vietnam War, but it made no reference to debts that have accumulated since 1975 for military and economic aid, estimated at more than \$3 billion.

The article left open the possibility that repayment of the debt was part of the arrangement under which the Vietnamese are working in the Soviet Union. One account circulating here in recent weeks was that the Soviet authorities, while paying the Vietnamese at Soviet wage rates, were retaining a

large manpower shortage has become one of the major headaches facing Soviet planners.

The Vietnamese, with a labor surplus, are well-placed to help out. And to judge from the assessment of Mr. Kostin, the labor official, the Vietnamese promise to be among the more reliable workers entering Soviet industry. Tass quoted the official as having praised the skills of Vietnamese women working as weavers in textile mills.

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Congress Units Rebuff Watt On Extension of Species Act

By Dale Russakoff
Washington Post Service

WASHINGTON — House and Senate panels have voted to extend the embattled Endangered Species Act for three years, rebuffing former Secretary James G. Watt's campaign to have it extended for one year only.

The act has been heatedly opposed by industries ranging from utilities to furriers and mining companies. It is just as fervently defended by conservation groups, which point to increasing extinction rates among plants and animals, comparing the process to "burning books before you've read them."

Amendments added by both the House and Senate panels are designed to speed both the addition of species to the endangered list and the process of granting extensions to industry. Industry lobbyists called the provisions workable.

The House Merchant Marine and Fisheries Committee voted unanimously Wednesday to extend the 1973 act best known for holding up the \$120-million Tellico Dam in Tennessee as a threat to the tiny snail darter. A subcommittee of the Senate Environment and Public Works Committee sent a similar measure to the full committee, which is to vote on it next Tuesday.

222 Animals, 61 Plants

"This is an issue that people care about deeply. It is an issue that goes beyond narrow special interests," said Sen. John H. Chafee, Republican of Rhode Island, chairman of the Senate panel and sponsor of its bill. "We are seeking to preserve the diversity of life and slow the accelerating rate of species loss."

The 1973 act is designed to protect rare flowers and animals, particularly when threatened by development projects. Industry and federal agencies must obtain exemptions from the Interior Department's Fish and Wildlife

Department must consider "solely" biological criteria in adding a species to the endangered list instead of weighing only biological evidence. Mr. Watt defends his policy by referring to President Reagan's executive order requiring cost-benefit analysis of all new federal regulations.

Both the House and Senate bills are aimed at reversing Mr. Watt's policy of considering the economic costs of adding a species to the list instead of weighing only biological evidence. Mr. Watt defends his policy by referring to President Reagan's executive order requiring cost-benefit analysis of all new federal regulations.

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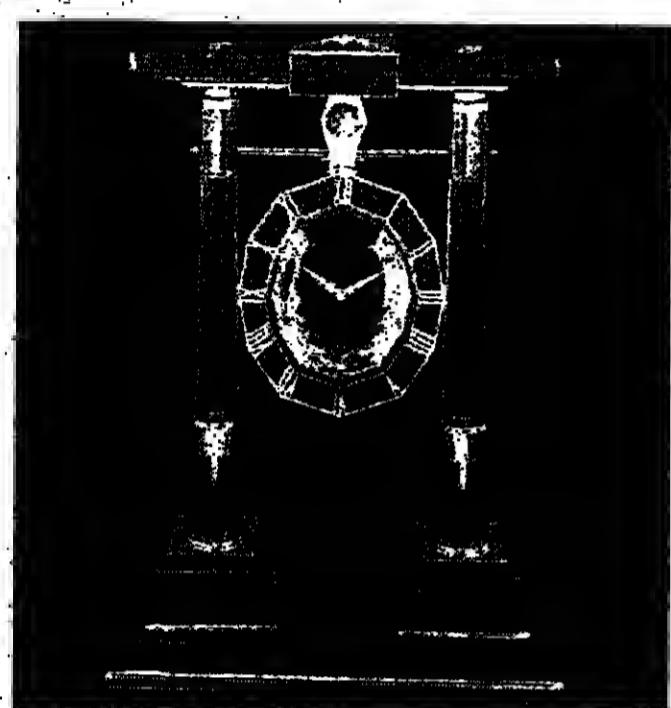
Luxury exports: Ahead of the steel industry.

John Caperton/Hessell



Dior: For stylish sportsmen.

YSL: Spring Fever.



Cartier: 'Mystery Clock' makes time more precious.

EXPORTS

Colbert Committee boosts prestige products

THE *crème de la crème* of the French luxury goods industry, an elite list of internationally known household names, even though few people can afford their product, is to be found in Paris under the name of a man born in 1619.

With a total of 51 companies, the Colbert Committee, or trade group, was created in 1954 to protect the interests and promote the development of France's most prestigious industrial sector — luxury products such as jewelry, perfume, furs, haute couture, leather goods, luggage, glassware and porcelain.

The expansion of trade in general and especially of exports was the principal concern of the trade group, and it was this that inspired the founders of the Colbert Committee to adopt the name of Jean-Baptiste Colbert. Monsieur Colbert was finance minister and secretary of state under Louis XIV, and was one of the first European statesmen to understand the importance of increased trade, both nationally and internationally.

Colbert promoted the development of the East India Company and the French settlement in Canada, and his name became synonymous with trade expansion.

Representative names of members of the Colbert Committee reveal a blue-ribbon list: running from Baccarat, Balmoral, Chanel and Dior through Guerlain, Hermès, Lanvin and Moët & Chandon to Sémi-Louis, Van Cleef & Arpels and Vuitton.

The trade group is small enough that company presidents telephone each other on a first-name basis. For Jean-Louis Dumas-Hermès, vice-president of the committee, the group is a forum. "I prefer the word forum," he said. "This forum allows us to get together like a club of old classmates."

Members of the Colbert "club" dislike the word "luxury" as a description of their products. Mr. Dumas-Hermès said, "High-quality is better. "We are talking about civilization and culture," he said. "Let me be poetic for a moment, because there is a poetry to be found in the names of the crafts

that are represented by the names of the members of the committee — jeweler, goldsmith, leatherworker, tailor, dressmaker, finisher, embroiderer, carver, baggage-maker, or glass-maker."

Poetry aside, it remains true that tradition — many of the companies in the group were founded in the 19th century and some in the 18th — and craftsmanship result in goods that require a purchase to have a well-furnished bank account in order to pay for a quality that is in fact a luxury.

The Italians responded to this with great imagination in publicity for their products and with mobility for their production methods; the French have had a weak sense of public relations and an unwillingness to grant production licenses," according to Mr. Dumas-Hermès.

He noted, however, that while 100 years ago many of the French companies that are still producing high-quality goods of great creativity stamped with the style of the country of origin," Mr. Dumas-Hermès noted, "but what essentially remains in Europe in this field is produced in France and Italy."

French producers have tended to lack mobility but have main-

tained an ability to bounce back. "Societies have worshipped the 'plastic' god or the 'technology god,'" Mr. Dumas-Hermès said, but "sooner or later the realization returns that the traditional craftsmanship and the high-quality of handmade products is a missing element."

The French have had a weak sense of public relations and an unwillingness to grant production licenses," according to Mr. Dumas-Hermès.

This luxury is produced today in France and Italy. "Europe, as a whole, has for centuries produced high-quality goods of great creativity stamped with the style of the country of origin," Mr. Dumas-Hermès noted, "but what essentially remains in Europe in this field is produced in France and Italy."

French producers have tended to lack mobility but have main-

FURNITURE

Inside an atelier: time is not a factor for Parisian artisans

By Harriet Welty Rochefort

RENE Turba and Roger Bessière don't know each other — but they have a lot in common.

Both work hidden well away from the hustle and bustle of the Faubourg St. Antoine — Paris' furniture mecca — patiently designing and making furniture almost entirely by hand. To find them, you'd either need to know what they've done for their clients by word of mouth or just stumble upon them by wandering into the passageways where they work.

In their early 30s, both belong to a generation in which crafts were still passed on from father to son or learned from a "patron." Both know what the word "apprenticeship" means and both grew up in the days when no one had heard of a 40-hour work week.

From then on, the differences become greater, for no two ébénistes (cabinetmakers) are alike, either in their background or in their approach to their craft.

Mr. Turba, who works at the end of a passage way named Cours de 3 Frères, wanted to be a doctor. Instead, he ended up joining the resistance in World War II. The war over, he decided to follow in his father's footsteps and take up the trade. His formal training included the Ecole Boulle, France's most prestigious school for applied arts, and did a tour de France, going from one home to another for

three years, doing whatever cabinetmaking or repair work he could. "School was good," Mr. Turba said, "but the best teacher was my father."

Mr. Turba's workshop is typical of the few furniture-making shops that remain in the neighborhood. A small sign indicates the way up a rickety staircase. Once inside, you discover a world that doesn't seem to have changed since the last century. In the main office, a clutter of tools, drafting paper, shelves filled with books on furniture styles, and a couple of chairs to sit on — if you can get to them.

"It's a mess," admitted Mr. Turba, laughing. "Furniture makers don't have time to clean up." As if apologizing, he added: "You know, creating beautiful furniture is not a money-making venture. If you want to make money, you have to do mass-produced furniture." A pause. "I just don't know how to do it."

He unveiled the headboard and legs of a Louis XVI bed he had just finished for a client. Intricately sculpted, the bed is a copy of a Boulle bed found at the Château de Borély in Versailles, a 16th-century creation one would certainly not find in a store.

Mr. Bessière, who works not far from Mr. Turba at the end of another passageway off the Faubourg St. Antoine, started out like Mr. Turba, learning from his father and then going to an apprenticeship. At the age of 14 he was working for a furniture maker and learning the trade.

"I started out doing everything by hand," said Mr. Bessière, "and believe me, it's not the same thing. We had to be careful and keep track of what we were doing. We were afraid of the boss and had our noses to the grindstone all day long. At the end of three years we knew how to put together a few pieces of furniture — but it takes 10 years to really know what you're doing in this job and you still

have to be meticulous and careful, and despite the dust and dirt turn out a piece of furniture that is impeccable."

Mr. Bessière is currently working on a ebony wood wall unit for a client. The cost: More than \$13,000. "When you're on your own like this," he said, "you don't have a boss on your back — but you have your clients, many of whom know absolutely nothing about making furniture. It takes a lot of patience to put up with what I have to hear sometimes."

For the last 25 years, Mr. Bessière has been working 10 hours a day, 5 days a week, and most

piece of furniture and respecting the wishes of the client down to the millimeter," he said.

Like Mr. Turba and many other furniture makers, Mr. Bessière has only one worker — and regrets it. "There just aren't enough qualified workers around anymore," he sighed. "First of all, many of the older people who could teach the craft are gone now, and no one can pass on what they knew. Young people don't want to live on the minimum wage that they would have to for years in order to learn the job."

"It's not a job where you stand around in a white jacket turning out beautiful furniture. It's dusty and it takes a lot of muscles to work with the wood. You have to be meticulous and careful, and despite the dust and dirt turn out a piece of furniture that is impeccable."

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(Continued on Page 9S)

FRENCH LUXURY PRODUCTS

INTERNATIONAL
Herald Tribune

Published in the New York Times and The Washington Post

MAY, 1982

By Ian M. Gummer

FOR MOST of the past decade the world has been reeling from the effects of an economic crisis that has brought some industries to their knees, but the recession has scarcely touched one sector of French industry — the "top-of-the-market" luxury goods.

Every year a handful of foreign visitors to France board planes at Paris airports carrying their purchases of jewels, perfume, clothing and other high-priced articles worth a minimum of 150,000 francs, or about \$25,000, per person.

For the year 1979, according to the lastest figures provided by French customs officials, these purchasers numbered only 327 — out of millions of visitors. But their spending represented 16 percent of the tax-deductible luxury items bought by foreigners in the sophisticated boutiques of the Place Vendôme, the rue de la Paix, the rue du Faubourg St. Honoré, the avenue Montaigne and the other streets in Paris where the highest quality is available to the privileged few.

In 1979, nontaxed luxury items worth 2.6 billion francs were carried away via the three Paris airports, up from 1.2 billion francs in 1977. Many of the purchases valued at 150,000 francs or more consisted of jewelry, and customs officials say that wealthy families from the Middle East oil-exporting countries were prominent buyers.

The figures for these so-called "invisible" exports are not included in accounting provided by the National Confederation of Artistic Industries and Crafts, Fashion and Creation. The confederation comprises all sectors of the luxury goods industry: Jewelry, haute couture and other clothing, perfume, cosmetics, leather goods, porcelain, glass, tableware and many others, an exception being gourmet foods.

Pre-tax turnover of French luxury goods, including exports, totalled 45 billion francs in 1981, up from 44.3 billion francs in 1980 and from 34.4 billion francs in 1978. Nearly one-quarter of the total for 1981 were exports, at over 12 billion francs, up from 10.3 billion francs in 1979 and 8.9 billion francs in 1978.

The most important sector by far was perfume and cosmetics, with total production in 1980 of 11.8 billion francs, more than 3.7 billion of which represented exports. The main markets for these products were West Germany, which took 14 percent of the exports, Italy with 9 percent and the United States, Britain and Belgium-Luxembourg, each with about 7 percent. Japan and the Soviet Union were at the bottom of the list with 2.8 percent and 2.5 percent.

With more than 10,000 companies employing about 200,000 workers, the production of luxury goods is big business in France.

And yet for many years successive governments tended to disdain the industry, taking notice of it mainly to impose heavy taxes. According to Jacques Mouclier, executive president of the fashion trades federation, the authorities finally realized that rather than being small, artisanal affairs, the luxury goods companies "were important for the balance of trade."

Mr. Mouclier said that "the steel industry contributes about 25 billion francs to the trade balance while the luxury goods industry provides 45 billion francs."

Noting a change in the official attitude, Mr. Mouclier said: "About six years ago I decided to breathe new life into the Confederation of Artistic Industries and Crafts, Fashion and

(Continued on Page 9S)

Givenchy: Hats on to spring and summer.



Lalique: Vase with bacchantes.



The tourist trade: Big business at Roissy airport.

John Caperton/Hessell

PERFUMES

Market expanding abroad

By Mark J. Kurlansky

IN the modern French perfume industry, two realities are trying to merge. One is the traditional perfume center: the hilly town of Grasse, which is visited by as many as 4,000 tourists each day in peak season.

A second reality, seen only by professionals, is a conference room in an elegant building in Paris where a group of 23 French companies, all of which earn more than 40 percent of their sales income from exports, have organized a marketing effort called "prestige of French perfumery." Written on a large board in the room are marketing ideas with phrases such as "the image of France" underlined.

In the French cosmetics industry, 60 percent of annual income from exports is derived from perfume sales. The market is rapidly expanding, as per-

fume is no longer a product limited to wealthy women.

And the French industry still dominates the world perfume market.

In Europe, the country's largest market, French perfume is barely challenged. More than half of French export sales are in Europe. West Germany, France's best customer, takes 14 percent of French exports. Italy is the second biggest customer.

The foreign sales figures are impressive, having grown an average of 15.7 percent each year from 1960 to 1978 and still growing, albeit at a somewhat slower pace. But in the past decade of market growth the French have had to struggle to maintain their position. They have gained in some markets and lost in others. Thus, they have managed to stay in about the same position. Their top challenge has

been that American companies have entered the race.

The United States is France's third biggest perfume customer. While sales have been increased in this vital, expanding market, the French market share in the United States has been halved in the past 10 years, according to Bruno Querel of the export service of the French Federation of Perfume, Beauty and Toilet Product industries.

The American companies are generally part of larger conglomerates, which give them ample resources for the development and marketing of new products. This process has also reached the French industry, where today many of the traditional family houses have been bought out by conglomerates. Foreign companies control about 30 percent of the French industry.

Chanel is owned by a Swiss conglomerate. Others, such as Christian Dior, are owned by French conglomerates.

"The French is a product of creation and the American is of marketing," said Mr. Querel. The claim is often made here that the Americans spend more money on marketing than the French, with a generally more expensive product, spent more on making the perfume.

It takes a "nose," as a perfume creator is called, several years to develop a new fragrance. Only about five of the 50 new fragrances created every year in France succeed. To compete with Americans means the additional expense of matching the sophisticated marketing techniques of American companies. A new perfume can represent a risk of as much as \$8 million.

"Companies that do not succeed in America are not willing to invest," said Guy Leyssene, director of Paco Rabanne, one of the few French companies whose largest customer is the United States. "In the United States," he said, "you have to have the courage to invest enough." According to Mr. Leyssene, between 15 and 20 percent of the price of a bottle of Paco Rabanne is the marketing cost.

Another unusual fact about

(Continued on Page 11S)

"la boutique"

Van Cleef & Arpels

bijoux "nacre"

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The Lanvin universe

On either side of the Rue du Faubourg Saint-Honoré in Paris are two buildings that could well be listed in the inventory of great monuments dedicated to elegance.

N° 22, on the very spot where Jeanne Lanvin opened her first millinery boutique at the beginning of the century, is today the centre of the women's universe, sending out collections all over the world.

"Very Lanvin" gifts

The style and design ateliers are on the upper floors. The Haute-Couture collection is designed by Jules-François Crayah, and from now on Maryl Lanvin is creating the ready-to-wear clothes. The collections are shown in the salons on the first floor, whereas the Bouquière on the ground floor offers a wide range of articles in addition to the ready-to-wear models.

In the lingerie department there are sumptuous nightdresses and filmy negligés; the leather-goods counters offer luggage and handbags for sportswear as well as pearl-studded or crocodile evening bags.

Among the "very Lanvin" gift suggestions are big woollen shawls in every colour, plain or edged in matching tones; very "design" jewellery at most reasonable prices; and of course perfumes, of which the best-known doubt Arpège.

A sumptuous perfume in a collection-piece bottle

Created in 1927 for Jeanne Lanvin, Arpège is a delicate mixture of some sixty rare floral notes, including Bulgarian roses, jasmine, lily-of-the-valley and lilac. For this sumptuous perfume, typical of its epoch, Jeanne Lanvin asked the distinguished artist Armand Rateau to design a beautiful bottle. He created the Boule Noire, which was decorated by Paul Iribé with a figurine engraved in fine gold, showing Jeanne Lanvin dressed for a ball with her daughter Marie-Blanche, the future Comtesse de Polignac.

Some years ago Lanvin decided to reissue this famous bottle and offers a full range of black-and-gold products around it: perfumes, eaux de toilette, bath products, soaps, etc. which make tasteful gift ideas.

A unique address

N° 15 is a man's world. Wood-panelled, with a marvellous lifecage in the purest 1925 style, it is quiet and peaceful. This is probably one of the last addresses left in the world where you can find under one roof a tailor, a shirt-maker, and a hat-maker, plus various departments which would each make a house famous by itself.

Custom tailoring is on the first floor. Fashion is not followed here, but created for each of the privileged people who come here for their clothes. To dress a customer, you first have to get to know him. You aid his choice from among thousands of fabrics, some of them very rare, and you make up his suit entirely by hand (one hundred hours of work on each). This is the secret of Lanvin's success, which rises above fashion.

A dynasty

On the ground floor are ties designed specially by the house stylists for each collection; pullovers in cashmere and silk, leather goods, scarves, cuff-links, handkerchiefs woven on ancient looms...

Lanvin has created eaux de toilette for men too, and there is a fine of products around each: Monsieur Lanvin, Vétyver de Lanvin and, recently, Lanvin for Men.

Haute couture, perfumes, tailoring, not to mention the numerous boutiques in different parts of the world... the Lanvin dynasty has reigned for three generations over a universe dedicated to comfort and elegance.

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75008 ParisLANVIN COUTURE
22, Fg St-Honoré
75008 ParisLANVIN TAILLEUR
15, Fg St-Honoré
75008 Paris

FRENCH LUXURY PRODUCTS

JEWELRY A leader in export earnings

By Vanya Walker-Leigh

FRANCES top jewelers, most of them established in directly plush, heavily protected stops around the Place Vendôme, have traditionally sold mainly to foreigners.

Though sales figures are not readily disclosed, the government exporters' yearbook for 1980 lists Gérard's exports at between 250 million and 300 million francs, those of Chaumet and Van Cleef & Arpels between 100 million and 150 million francs and Boucheron's at 50 million to 60 million francs, indicating that foreign-exchange earnings account for between 60 percent and 90 percent of total turnover.

The trade seems unanimous in agreeing that foreign sales, mainly to the United States, the Middle East and Far East, or to nationals of these regions residing or visiting in France, will account for even larger shares in the future. French clients are apparently discouraged by higher taxes imposed by the new government, and a recent regulation making their formerly anonymous, cash-over-the-counter purchases impossible — as now all goods worth more than 10,000 francs must be paid for by check.

Although Socialism may put a crimp on domestic demand, jeweler Jacques Arpels last night played host at the Paris Opera to a high-society gala, under the patronage of President François Mitterrand, for the Pasteur-Weizmann foundation.

French jewelers are also facing supply-side problems: the dearth of young workers willing to spend years learning skills from aging craftsmen, increased labor costs resulting from new laws on shorter work weeks and longer vacations, as well as the increase from 17 percent to 33 percent of the value added tax on raw precious stones. French jewelers stalk public auctions and private sales in France and abroad to buy back their own and others' creations as additional raw materials.

The top exporter since 1975, Gérard, is the most recently established firm. Louis Gérard, a former jewelry-trade executive, found private backers in 1968 to set up his own firm, selling his own designs and using only the highest-quality stones.

Rumors of the imminent shutdown of Gérard, because of major

disagreements between Mr. Gérard and some of his backers, were followed by the news last month that some backers had been replaced by new shareholders. "Not only are we still in business, but poised for further expansion after an admittedly difficult year," Jean-Paul Desmaretz, the public relations manager, explained.

Gérard's yearly collection, shown at Gstaad, is subsequently sold either privately, by traveling salespeople, or through either the Paris (avenue Montaigne) headquarters, or through sister shops in Lausanne, Gstaad, London, Monte Carlo, Geneva and Cannes. But a New York branch that was opened in December, 1980, had to close in April of 1982 because of a new French government regulation cutting annual foreign-exchange transfers by firms to overseas affiliates from 5 million to 1 million francs.

High-quality "Boutique des Heures" watches and lighters complete the range, with the prosperous perfume business now existing as a separate company. Established in New York since 1938, V.C.A. also has branches in Beverly Hills, Palm Beach, London, Geneva, Cannes, Monte Carlo and Deauville. V.C.A. has added exclusive distribution arrangements with top jewelers in leading French cities, as well as in Zurich, Sapporo, Milan, Kuwait, Hong Kong and Singapore.

Gérard Boucheron, who recently handed over chairmanship of the family firm, founded in 1958, to his son Alain, sees Boucheron's 1982 foreign sales accounting for 80 percent to 90 percent of turnover, compared to 60 percent in past years.

Boucheron has shops in Biarritz, Geneva and London, and either agents or "corners" in jewelry or department stores "almost everywhere that matters," Mr. Boucheron added. "We were the first to make gold evening bags and also make compact, small jewelry pieces, using semiprecious stones, selling from \$1,000 upward, and our own bestiary line of decorated animal beads and bodies, sculpted by our craftspeople from rock crystal."

Chairman Jacques Chaumet pointed out that Chaumet jewelry, made to both traditional and modern designs, "is part of a broader product range, including high-quality watches ('les Temporelles'), following our purchase of Breguet watches 12 years ago." "We also make cigar boxes, letter openers, vases, and bestiary objects — animal heads or bodies carved by the glassmaker Baccarat and adorned with gold or precious stones," he noted.

Mr. Chaumet is president of the

Cartier, founded in 1847, may well be among the top foreign exchange earners, but Chairman Alain Perrin refuses to give figures — even to the exporters' yearbook.

He scoffs at comments by other jewelers that Cartier has wrecked its reputation by licensing the manufacture and worldwide distribution through 5,000 jewelry shops of its "relatively" inexpensive

"Must" pens, watches, lighters and leatherwear, launched in 1972.

Cartier also sells top-quality,

"as well as the exclusive 'S' line of evening bags, leatherwear, jeweled hairslides and watches, launched in 1980 and sold only through our own 20 shops and 90 franchised boutiques around the world. In 1980, we also launched the 'Pendules Mysterieuses' ('Mystery Clocks') line, with a limited number of unique pieces made each year from precious and semiprecious stones, using the skills of 14 trades." This has been followed by a cheaper line of "Art Deco" clocks, retailing in two designs at around 30,000 francs each.



Posh bathrooms from Paris

By Todd Martin

THE PLACE de la Madeleine houses many things, from the gourmet food shops of Fauchon, down past the flower market and the fur shops and the art galleries to the juncture of the Rue Royale and the Boulevard de la Madeleine.

Here nestled under the 66-foot-tall Corinthian columns of the church and just behind the marble rail of the entrance to the Métro, sits Sanitaire de Prestige Porcher, two floors, under arched windows, dedicated to what is sometimes called the smallest room in the house.

Porcher furnishes bathroom fixtures to the world. From six factories in France, these fixtures go out to grace homes in Europe and Africa, in the Caribbean and in Tahiti, in the Midwest and in Hong Kong. Outlets in all these areas, and hundreds of others in France, sell the bathroom de luxe — to those who can afford it.

Exact figures are not available, but judging by the activity of the sales women in the Madeleine store, business is brisk.

One is shown a simple wash basin, silver faucet, stopper control and stopper for 6,200 francs, a bid over \$1,000. A matching tub goes for 15,300 francs. Its ceramic tile is said to resist fire, acids, time (or perhaps the weather). The bidet costs 5,400 francs.

A nice touch for the smallest of small rooms is a bidet on ball bearings: it slides out of its cabinet housing from beneath a wash basin with gold fixtures — not, one is assured, solid gold, merely a gold bath over a brass metal.

Standing tall in one corner to rival the Corinthian columns outside is a complete shower, mirrored, quarter-round to fit in the corner, with dusky curved, sliding door — 18,109 francs.

But it is mostly bathtubs, some resembling couches for astronauts, controls within easy reach, that are displayed in this hall of mirrors, which themselves can cost thousands of francs. (Porcher does not manufacture mirrors or other accessories, just the basics, but it does sell them in its stores.)

There are 500-franc toilet-paper holders and there are various hangers and shelves and racks equally dear. One showroom touch, as befits a company that has been in the business since 1880, is a charming painted porcelain wash basin supported on a three-legged stand, swiveled face mirror above, painted water pitcher below and brass towel rods along each side. Nice for a quiet shave.

Porcher also makes a sort of fold-up urinal that is mounted on a wall. It comes in various colors, for 600 francs, and is "discreet, esthetic, and for the first time makes it possible to allow a urinal in a bathroom."

Toilet seats and bowls can run to more than 2,000 francs. The bowls are designed variously according to exit workings: vertical, central, oriental. It would take drawings to tell the difference. The same for the seats: named Provence, Regale, Omega, Majorque.

Porcher does not install, it just sells, but one can tell one's plumbing contractor to get everything from Porcher.

It seems that nothing has been forgotten. There are even kitchen sinks, 3,141 francs.

Mr. Perrin added: "Cartier may be criticized, but we are the only jeweler appealing to a young broad public, and the only one making enough profit to plan to finance a project enabling talented young craftspeople to be apprenticed to experienced artists, and eventually to set up on their own." The continued success of French jewelry, at least according to a press handout of the Haute Joaillerie de France, is based on the fact that: "The purchase of a jewel satisfies the aspirations of every woman and the self-esteem of husbands..."

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Renault 30... internationally renowned as one of the world's finest cars for the open road. And now, it's available in turbocharged diesel version. Renault turbo technology has been thoroughly tested and proved. In the Renault 30, it adds power, stride and speed. It's perfectly matched to the highly-efficient 2 liter diesel engine.

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RENAULT  elf 

High priority from
government for a sector that
scores heavily abroad
FASHION

FRANCE. Socialist government has given strong backing to the high-fashion industry by making the Louvre available for this spring's ready-to-wear show, promising a new fashion museum and pledging funds for a *maison de mode* near the Forum des Halles shopping complex. The *maison* would contain permanent showrooms, a documentation center and a university-level institute of fashion studies.

"Business is booming, according to Jacques Mouchier, chairman of the fashion trades federation, and the 25-percent increase in turnover in 1981 to 5 billion francs (\$833 million) — half of the total in foreign exchange — probably will be repeated this year."

He pointed out that French haute couture as such the 200 to 400 one-of-a-kind models produced yearly by each fashion house, has only 1,000 or so clients, mainly foreigners. Sales of these garments account for only 3 percent of industry turnover; an additional 12 percent comes from the limited-series boutique models. 35 percent is generated by sales of women's ready-to-wear, 22 percent by men's ready-to-wear and about 27 percent from accessories, sold under the fashion house's label.

Though all French fashion houses have foreign clients, industry circles indicate that the top earners of foreign exchange are Cardin, Dior, Yves St. Laurent, Givenchy and Chanel, with Per Spook of Norway and Kenzo of Japan starting to contribute substantially to the trade balance through the operations of their recently established Paris houses.

"Though competing fiercely for clients around the world, France's couturiers now cooperate closely in the growing fight against fakes: Their teams of inspectors routinely exchange information on 'suspect' merchandise they may have seen on their foreign tours."

LUXURY OUTLOOK

(Continued from Page 7S)
Creation to set up a pressure group vis-à-vis the government and provide information to the media.

Mr. Mouchier, who was then the president of the trade group, sees its role as being "to defend the industry as a whole when its interests are threatened by proposed government measures."

The luxury goods industry carries a heavy weight under government taxation and social security policies. "The oil industry or the chemical industry, for example, are not labor-intensive and don't have to carry the social charges based on wages that our sectors have to support," Mr. Mouchier said. "We would like the government to rethink its system of sharing out social charges to make it more equitable."

By definition, luxury goods producers rely on highly skilled and highly paid artists and craftsmen who are creating and tooling their work by hand. This implies social costs to employers of between 70 and 80 percent of production costs.

For Marc Porthault, president of a luxury linen house, legislation reducing the work week to 39 hours and a proposed fifth week of paid vacation "represents two weeks of lost production for us." He added: "We would like to increase our workforce, but we can't do it without a loss of quality." And, he noted, sales are based on the quality of the product.

The president of the perfume and clothing house of Lanvin, Bernard Lanvin, said, "Since the 1973 oil crisis, sales have continued to rise but profits have not shown the same relative increase because costs have gone up, and if we passed on these costs we would price ourselves out of the market." He also noted that the world economic crisis "has had an effect on tourism, and this has slowed growth in our sales."

Jewelers are worried about the doubling in the tax on precious stones this year, to 33.3 percent from 17 percent. A spokesman for the industry, Jacques Chaumet, whose headquarters are on the Place Vendôme, said this will seriously affect sales.

Another major concern among producers of handcrafted luxury goods is the gentle art of theft by forgery. This pirating "hurts us a lot," Mr. Lanvin said. "I suppose, in a certain way, it's the price of success. It's not the Japanese — they copy and improve, but they don't go to for forgery. It's places like Taiwan or Italy or countries in South America. Lanvin itself spends nearly \$200,000 a year in protecting trademarks."

Despite these worries, the industry is mildly optimistic. According to Jean-Louis Dumas-Hermes, "The present government seems to be more aware than previous ones of the importance of the luxury goods industry. We are hiring employees, or at least we are not firing people. The industry doesn't need any subsidies, and the government has seen that. The government has agreed that a representative of the luxury goods producers should accompany the French employer's delegation that goes with the minister of industry on his trips abroad."

Industry spokesman agreed that the principal markets for luxury goods are Europe, the United States and Japan. The Far East is an increasingly important market.



LUXURY FLEET — Hertz has recently begun a luxury self-drive car rental service in Paris. The vehicles available range from the Porsche 928S (which goes for 1,030 francs a day) to the Volkswagen GTI 16S (available for 317 francs).

company. The models in this line would not actually be created by St. Laurent, but developed by designer teams along his suggestions. We reckoned we could add 1 to 2 million clients to YSL's present several hundred thousand who buy men's and women's clothes and accessories through the four wholly owned YSL Rive Gauche boutiques in two in Paris, two in New York — and 170 franchises boutiques around the world."

Ninety percent of YSL's women's garments are made by the French manufacturer Mendes, 34 percent of which is owned by YSL. Men's clothes are made by Bidermann in France and the United States. YSL has turned down a number of offers to put its name on chocolates, cigarettes and automobile seat covers.

Christian Dior's development has long been hampered by the financial problems of its owners — first Bousac textiles, then the Groupe Willot, both of which went bankrupt. Dior's chairman, Jacques Rouet, said that under arrangements recently put together

by the government, Dior is now the subsidiary of a new firm owned 49 percent by Willot's creditor banks and 51 percent by the state Institut de Développement Industriel.

"At last we will be free to invest our profits in expansion abroad and revamp our Paris headquarters

Technology. This event will launch a traveling retrospective show of Givenchy's creations since 1950.

A group of Japanese companies is planning a similar event in Tokyo next year, according to the firm's managing director, André Grézaud. Givenchy, with subsidiaries in Tokyo, New York and London, is opening another in Brazil, and distributes clothes and accessories made by licensed manufacturers through franchising arrangements with shops or department stores in France and abroad. Recently, Givenchy won exclusive contracts to decorate the interior of Ford's Continental and Nissan's

Chanel is "upgrading, but not outgrowing, the late Mademoiselle's ageless classics," said the firm's manager, Roland Bourge. A licensing arrangement with Mendes ended in 1980. Chanel now works with a series of small French garment manufacturers and is developing new lines of coordinates, pant suits, fur, underwear and "unise" leather goods, as well as variations of the popular two-tone shoe and quilted shoulder bags.

The Paris house, together with subsidiaries in London and New York, oversees worldwide marketing arrangements via boutiques and "corners" in top department stores. Further outlets are planned in Canada, Australia, Saudi Arabia, Tokyo, Hoog Koon and Rome.

— VANYA WALKER-LEIGH

COLBERT

(Continued from Page 7S)

have high-quality workers, mainly French, and be concerned with export activity. If a company is turned down, it is usually because its export activity is not sufficiently important," the vice-president of the committee said.

The practical advantages of club membership are oot to be denied.

As a spokesman said, "If our company has a problem with customs officials, say, concerning our exports, our accountants can get on the telephone and work with each other to resolve the difficulty."

Beyond commercial interest lies a genuine pride in the handmade goods produced from prime-quality raw materials by craftsmen born to the art. The result of their work at the highest level is beautiful.

One dictionary definition of the word "luxury" is "an object that is desirable but costly," while another says that the object adds to "pleasure or comfort, but is not absolutely necessary."

Not absolutely necessary, perhaps. But perhaps "we are talking about civilization and culture."

— JAN M. GUANNER

A few months before opening a luxury boutique on Madison Avenue, Hubert de Givenchy will be the guest of honor on May 10 at a \$300-a-plate gala in New York, organized by the Fashion Institute of Technology.

— VANYA WALKER-LEIGH

FURNITURE

(Continued from Page 7S)

Saturday and Sunday mornings. What with managing his stock of wood, drawing up estimates, visiting his clients and actually producing the furniture, he is always busy.

He said, however, that when he goes into semi-retirement in a couple of years, he will continue to work, if only for his own pleasure.

"I'm happiest at my workbench," he smiled. "That is where I forget everything around me."

The proof? Only 25 years ago,

Mr. Besiere had more than 20 colleagues in his passageway.

Now he is the only one left — and soon he will be gone.

The contributors to this supplement — Linda Bernier, Jan M. Guanner, Mark J. Kurlansky, Vanya Walker-Leigh, Todd Martin and Harriet Welty Rochefort — are freelance journalists based in Paris.

Major bid to increase exports of food, wine

IN the United States a lot of people are talking about "the new trend toward better food and wine." The subject has also aroused considerable interest in France, where the export of alcohol and food products is growing at a steady rate.

This year the government has given Sopexa, a government agency for the promotion of agricultural and food products, a 56-percent-budget increase. A large part of that money will go to advertising campaigns in the United States with messages such as "foie gras — the summit of gastronomy; say fromage; calvados — the mellow brandy of Normandy; the incomparable wines of France; the only French burgundy is 100-percent Burgundy."

The French market priorities, according to Bertrand de Fleuriot of Sopexa, will be the United States, West Germany and the Middle East. Germany is France's strong traditional market, the Middle East is the fastest-growing market and the United States is the market with the greatest potential.

In wine and liquor, where Britain has historically been France's leading customer, the United States has in the last two years solidly taken first place. More important than the size of U.S. sales is the size of the remaining market. The British market is thought to be close to the saturation point, but in the United States, cognac represents only 1 percent of the total spirits market.

Cognac is a champion French export. Of the \$867 million worth of spirits exported in 1981 (up 21 percent from 1980), \$587 million worth was brandy from the tiny area in southwestern France called Cognac. Only 10 percent of bottled cognac is sold on the French market.

The growth of the American market is fast," said Gerald de Geoffre of Hennessy, which exports 95 percent of its production.

"Americans are turning to wine and, with it, spirits." Northern Europe and the Far East are also good cognac markets. Generally, the experience has been that people who drink hard liquor are more

FRENCH LUXURY PRODUCTS

easily converted to cognac than wine drinkers.

Sopexa has been marketing other hard liquors abroad, such as armagnac and calvados, but even, with the rapid growth in exports these items still represent a small fraction of cognac sales.

Wine has a somewhat different market. For example, unlike spirits, it does not sell well in the Far East. Less-expensive wines have been having great difficulty competing in the lucrative European and North American markets with Italian and Spanish wines and, in the case of the United States, with California wines.

But the celebrated expensive French wines are selling well in foreign countries. The three leading French truffle exports (Italy is the only producer besides France) go to the United States. Foie gras, the preserve, fattened goose or duck livers (often imported to France before being prepared and exported) are also selling well in the United States and in Japan.

The American Food and Drug Administration requires the livers to be cooked more than is the custom in France, and this process makes the American import taste somewhat different. According to the FDA, undercooked livers can carry dangerous bacteria.

"All countries have incomprehensible regulations," said Jacques Melon, of the Parisian specialty store Fauchon. He pointed out that the FDA will not allow to ship canned coq au vin and canard à l'orange because of a ban on fowl, but they do allow fat-preserved duck and goose. Meanwhile, the French government has just stopped him from importing products with enriched flour, such as American pancake mix.

Fauchon exported \$3.3 million worth of specialties in 1981. The store claims a 60-percent increase in exports each year, the best market being Japan, followed by the United States and West Germany. Mr. Melon claims that Fauchon is giving English tea exporters serious competition with French products such as apple tea.

Fauchon is beginning to export its selection of handmade chocolates from artisans all over France. A few others have also begun to export handmade chocolates, but it is a difficult product to ship and subject to a number of restrictions in importing countries. "It is the difficulty that gives us the market," said Mr. Melon.

— MARK J. KURLANSKY

Christian Dior

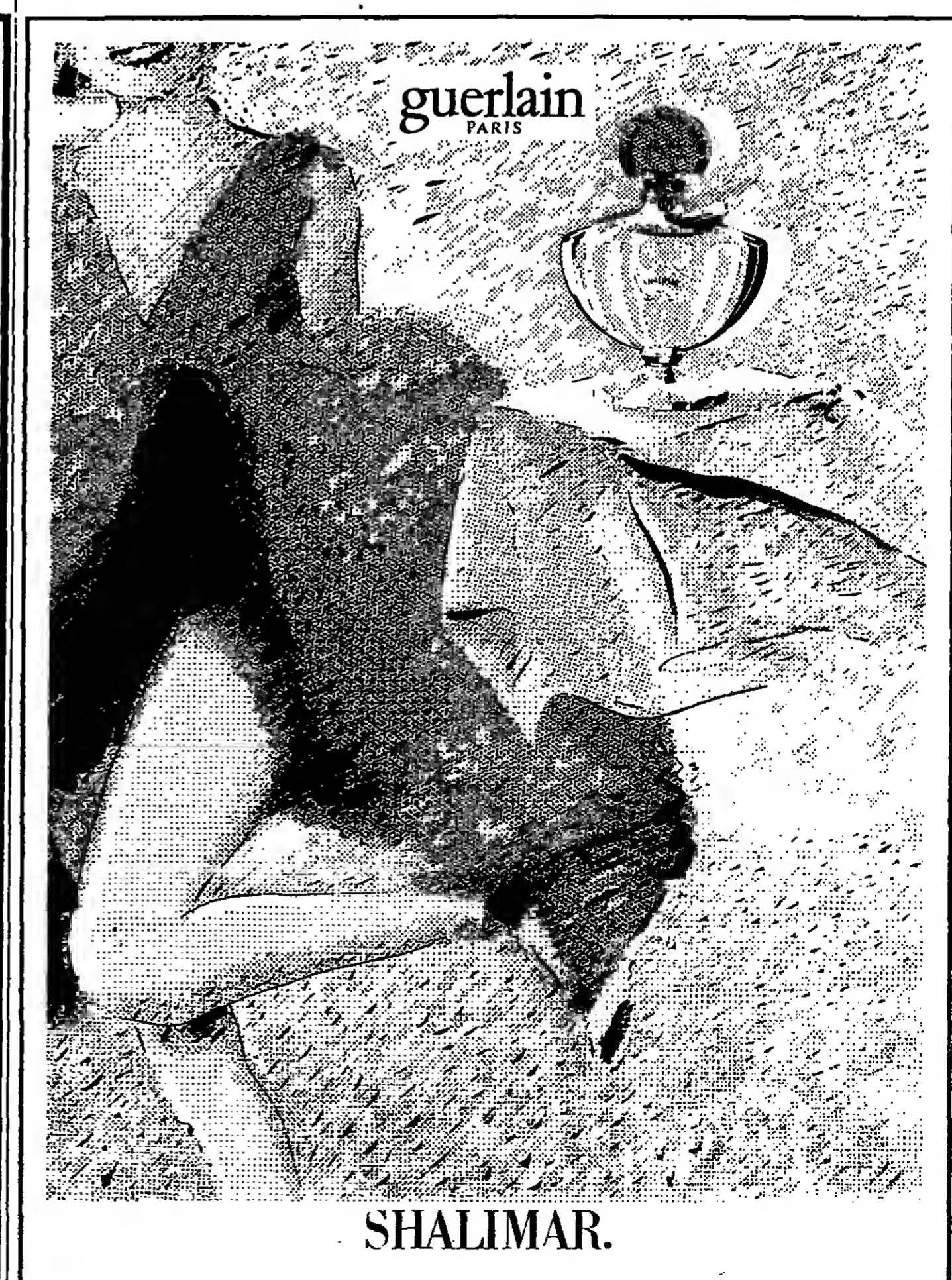
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FRENCH LUXURY PRODUCTS

*Posh surroundings count,
but luxury nowadays means
careful, polite service*

HOTELS

By Linda Bernier

THE DIFFERENCE between a beautiful hotel and a very special *palace* is the service. "Everyone should feel like a VIP," said Frank Klein, who runs the Parisian luxury hotel whose name has come to describe the epitome of elegance — the Ritz.

Mr. Klein and other master hoteliers in Paris, the city of grand hotels, agree that luxury service means not only that the orange juice is fresh, the croissants warm and the coffee hot, that the guests' wishes are carried out quickly and cheerfully, but that the guest has the feeling that he is the only one who has ever lived in the room he is in, that he is truly in a palatial home away from home.

To provide this feeling, many of France's finest hotels have adopted special touches: remembering the guest's name from the moment he registers, and during subsequent visits, welcoming him with a personalized note, fresh flowers or a bottle of champagne, repainting and scenting rooms.

According to André Saurin, who heads the Chambre Nationale de la Restauration et de l'Hôtellerie, an association of hotels and restaurants, today's fine French hotels are also noteworthy because of their increasing emphasis on offering business facilities and sports and entertainment activities.

Of the 17,000 hotels classified by the Ministry of Tourism (there are about 40,000 in all), 480 are considered four-star and four-star deluxe, the highest ratings given in France. More than half of them are in Paris, with two-thirds situated in Paris and the Côte d'Azur.

Most of the deluxe hotels have not suffered much from what is troubling the rest of the hotel industry in France — the generally hard-pressed international economy, an increase in the value-added tax from 7 percent to 17.6 percent for four-star and four-star deluxe hotels and what amounts to a 30 percent tax on expense account budgets.

While four-star hotels suffered a

10-percent to 20-percent decline in occupancy rates last year — their clients choosing less-expensive hotels — the four-star deluxe hotels have experienced only a 2-to-3-percent drop in occupancy rates, said Mr. Saurin of the hotel association.

He explained that luxury hotels usually operate at lower occupancy rates than other hotels — 62 to 63 percent last year, which, according to several top hoteliers, is about the point where profits begin.

Several four-star deluxe hotels are under construction in Paris — one in the Halles area being built by Mah, a Dutch group, and a Louvre's in the Passy, with a 1984 opening planned. The Holiday Inn building on the Place de la République opened in March and the renovated Scribe and Warwick hotels opened last year.

Renovatio seems to be the name of the game, for if there is one outstanding feature Paris has to offer it is the charm and historical nostalgia of its old buildings.

Among the oldest of Parisian hotel *palaces* is the Hôtel de Crillon, which overlooks the Place de la Concorde. Part of two *palaces* commissioned in 1758, it was sold to the Comte de Crillon in 1788 and later, in 1907, to the Tattinger family, who opened it two years later as a luxury hotel.

The Crillon, with its museums-like salons and reception halls filled with tapestries, gilded ceilings and ornate antiques, might have been stately enough for Woodrow Wilson and the other world leaders who assembled there in 1919 to found the League of Nations, but by 1979, occupancy by members of today's high society had dropped to about 50 percent.

So the Tattingers, of champagne fame, are planning to pour in about \$10 million to improve the Crillon. Completed so far are about half of the 201 rooms and 30 suites, which start at about \$160 a day.

Gone are the blue and gold carpets and walls. Everything is light and bright, with more marble — in the bathrooms as well as in the new reception area being built. The inner courtyard has been cleaned and a summer restaurant will be opened there. A new restaurant will also be situated in the ornate, 18th-century-style Saloo des Ambassadeurs on the ground floor.

Also undergoing a facelift — to the tune of about \$50 million — is the *grande dame* of French luxury hotels, the Ritz. Opening its doors in 1898 on the Place Vendôme and the elegant rue Cambon, the Ritz distinguished itself in those days by providing a bath in every room, large deep closets, bedside buzzers to summon valet, maid or waiter, an arcade representing Paris' most elegant boutiques and exquisite Louis XV and Louis XVI furniture and decor.

Noon of the old-world charm is being destroyed, said Mr. Klein, who became the Ritz's managing director in 1979 when Egyptian businessman Mohammed al-Fayed bought it from the Ritz family for \$25 million. Occupancy rates had dropped to 50 to 60 percent, said

Demand from abroad surges for antiques, objets d'art

FRENCH antiques are strongly in demand in the United States, Japan and elsewhere in the Far East and to a lesser extent in the Middle East and European countries, but the local supply of objets d'art for sale has dropped sharply since last year's elections, according to experts.

Jacques Picard, partner of the leading antiques auction firm Ader Picard Trajan, which accounts for 20 percent of the annual sales made through Paris' single auction house, Hôtel Drouot, said French owners are at present balking on to their objets d'art. "One reason could well be the new regulation requiring that all goods worth more than 10,000 francs be paid for by check, instead of cash," he said. "Another is that such objects are not subject to tax."

"But the new tax on fortunes of over 3 million francs, payable by Oct. 15, is going to present a number of wealthy French people with the choice of either selling assets that produce income, or those that do not — such as antiques."

Maurice Picard thinks that a number of antiques will come on to the market this autumn to meet the burgeoning interest from U.S. buyers in 18th-century classical French furniture and furnishings. U.S. interest has been spurred by the recent appreciation of the dollar against the French franc, as well as the ever-rising prices of British antiques.

Japanese buyers, he added, are happy to find in Paris fine examples of Chinese and Japanese art no longer available in Tokyo, but they also go for 19th-century French painters and 20th-century Art Nouveau objects. Middle Eastern buyers tend to limit purchases to "very spectacular" classical pieces — or perfect 19th-century copies made by famed craftsmen.

Leading antique dealer Didier Aaron, chairman of the eight-member group "Les

Antiquaires à Paris," said that U.S. interest in classical French antiques started five years ago, and is partly attributable to the work in New York of two Frenchmen, his own son Hervé, who runs Didier Aaron, Inc., and Thierry Millerand, a director of Sotheby Parke-Bernet.

Mr. Aaron also has decorating activities, his Paris and New York offices serving as bases for top-line classical and New Wave French decorators such as Alain Demachy, François Catroux and Jacques Grange. Along with the house of Janssen and Philippe Nourissat, Albert Pinto, Henri Samuel, Jean François d'Aigre and Ms. Andréa Puitman, Mr. Aaron's associates have become internationally acclaimed favorites with wealthy homeowners around the world.

Jacques Grange, whose clients include the Iranian and Saudi royal families, Yves Saint Laurent, Stavros Niarchos and Mick Jagger, pointed out that decorators have only recently started being taken seriously inside France. "But at the moment, the big opportunities are abroad, or with foreigners residing here," Mr. Grange said.

Mr. Grange said that French furnishing arts are superb, but that modern French furniture is something else, witnessed by the success in France of foreign furniture made by Knoll of Britain and by Scandinavian firms. "I end up designing my own pieces, which are then made up by French craftspeople — the best in the world. I may start manufacturing my own designs."

The French furniture trade association reports that the bulk of the industry's modern furniture exports, reaching 2 billion francs in 1980, were made up of standard "middle-range" dining and bedroom sets, and chairs.

But perfect copies of French antique furniture, turned out by highly skilled decorators concentrated around the Faubourg St. Antoine area of Paris, are much in demand both by French decorators and foreign

buyers, including directors of museums and ancient monuments.

Claude Mercier, chairman of Mercier Frères, which reported a 170-million-franc turnover in 1981 in decorating activities and sales of copied antiques, also sees a shrinking market for his trade in France "except for a few banks and offices" but is doing a brisk business through affiliates or subsidiaries in the Middle East and the United States and will soon open a shop in Geneva and an office in Marbella.

The French furnishing fabrics industry exported 20 percent of its 1.1-billion-franc turnover in 1981, with most fabrics sold both inside and outside France without brand names through major distributors such as Clarence House and Brunschwig in the United States. But the trade association says that most leading manufacturers, such as Casal Deschampt, Bisson, Lauer, and Preille, would like to start selling under their own names — following the lead of Manuel Canovas, and more recently Pierre Frey.

Pierre Frey, which exported 35 percent of its 1981 turnover of 75 million francs, has also started opening "spaces" in the Galeries Lafayette department store chain. Chairman Patrick Frey explained, and sells fabrics under its own name in 22 countries. "I have just launched a new line of tableware and bedspreads, and expect to add more products soon," he added.

avenue Kleber, the Meurice, the Intercontinental and the Louvre on the rue de Rivoli, the Grand Hotel and the Scribe on the rue Scribe. And, of course, there are the top-class modern hotels — the Nikko, Hilton, Holiday Inn, Concorde Lafayette, Meridien and Sheraton, to name a few.

There are also the small luxury-class hotels in historic buildings or *hôtels particuliers* that offer only a few rooms with period furnishings and excellent service. Prices start at an average of \$100. Among a few of these treasures are the Hôtel du *réve des Beaux Arts* in the Latin Quarter, the Résidence du Bois off avenue Foch on the Champs Elysées, the San Régis on rue Chaligny, and the Majestic on rue Dumont d'Urville in the 16th arrondissement.

When traveling outside of Paris, a handy guide to unusual but luxurious châteaux, inns, châlets and hotels is *Relais et Châteaux*. It is published by an association of independent hoteliers and is based in the Crillon in Paris, one of its 150 members.

The conservative style and master craftsmanship of Hermès has always appealed to foreigners, but 20 years ago Hermès started a more intensive foreign expansion campaign and today it has about 140 sales outlets abroad.

Louis Vuitton, another oldtimer — dating from 1854 — and along with Hermès, the only top leather goods designer that still produces its own articles, has experienced a tremendous increase in demand in the past 15 years, due in part to the sash appeal of designer-initiated cloth, which it has been producing since 1896.

From a small 67-worker operation in 1975 to a more industrial-style operation of 560 workers in four plants today, Vuitton has seen its production quadruple in the past four years.

Retail turnover in this family-owned business climbed from about \$51.7 million in 1980 to about \$77.5 million last year, with an increase of 30 percent this year. International expansion and foreign sales began in earnest in 1977 and today make up about 80 percent of Vuitton's turnover — the largest market being Europe, then Asia and North America.

Céline, which began as a manufacturer of children's shoes in 1947 and started producing handbags, belts and small leather accessories in the 1960s, exports 82 percent of its turnover — about \$50 million last year — and has 144 sales outlets abroad.

— LINDA BERNIER

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LEATHER

Success: an industry that spends much of its time combating its imitators

A SURE GAUGE of success for a luxury-producer company is the number of imitators copying its models. Looking at the number of fakes modeled after well-known French leather goods, it seems that business is booming.

Vuitton, Dior and Hermès bags are on the hit parade of popular fakes. But there is no lack of top-quality designers to choose from: Céline, Cardin, Morabito, Nina Ricci, Chanel, Lanvin, Balenciaga, Charles Jourdan, Guy Laroche, Lanvin, Jacques Estoril, Patou, Madeleine de Rauch to name a few.

Millions of dollars in legal and investigative fees are spent each year by the important fashion houses to fight the fakes, which not only impinge on potential profits, but erode the distinctive image and status of the designer articles.

Actually, shrugged Richard Vi-

piana, who heads Céline, "there is very little we can do about it." His company spends up to \$500,000 a year in legal fees to fight the phonies, but it is virtually impossible to keep track of counterfeit production all over the world. And besides, once you put one counterfeiter out of operation, he or another one goes right back into business again, he said.

Despite the nuisance, Mr. Vipiana, like other designers whose other models are copied, is somewhat boastful about his popularity among the counterfeits. "If we weren't copied it would mean we aren't important," he said.

According to André Saucé, director of Louis Vuitton, being copied even has its good points. "If we're not in a market it helps introduce us," he laughed, adding, however, that on the whole, imitators do more harm than good.

"They use your name and nota-

riety to make a fast and easy profit, either fooling the consumer or making him an accomplice in wrongdoing," Mr. Saucé said.

Jean-Claude Gombault of Christian Dior added that because of the harm it does to the designer label, particularly in the case of poor-quality imitations, "it is a problem that bothers us a lot." Dior initiated 250 suits against counterfeiters in 1980 and 27 additional suits last year.

Most of the fakes, say industry observers, are produced in Europe, and particularly in Italy. This, they say, is especially irksome — because Italy is a Common Market member and it turns out sub high-quality reproductions. Fakes are also produced in North and South America, North Africa, Southeast Asia and Australia.

Besides legal action, many fashion houses are trying to counter the counterfeiters with more difficult-to-copy models. Dior has introduced a synthetic material to which it imprints its initials in the same color tone — difficult to see from afar, but identifiable at close range. Vuitton is working on a similar strategy.

While some designers feel that publicity helps fight the fakes by making consumers more aware of them, others find the discussion distasteful. Pointing to the recent full-page add placed in major

"We are suffering enormously from imports," said Paule Morel, of the leather goods association.

Lower social charges, taxes and wages and an illegal, undeclared labor force are the most common

French newspapers by Cartier to describe the fake Cartier problem. Mr. Saucé of Vuitton shook his head, saying, "It's very negative, a very negative enterprise spirit." In any case, he added, most people know when they pay so much less for a usually expensive item that they are not buying the real thing.

"People want designer labels but they don't have the money to pay for them. That's why there's a market for fakes. It's the mentality of consumption society today," said Pierre-Jacques Grange, who produced leather goods until 1955, when he realized that he would have to mechanize in order to survive.

Today he has a 400-employee factory near Dijon that produces handbags, belts and other small leather accessories for Dior, Chanel and Charles Jourdan.

While luxury leather goods are doing fairly well, the rest of the industry is not. According to the Fédération Nationale de Maroquinerie et Articles de Voyage, a national association of leather goods manufacturers, the industry as a whole suffered losses of about 12 percent in 1980, a figure that improved only slightly last year.

"We are suffering enormously from imports," said Paule Morel, of the leather goods association.

Lower social charges, taxes and wages and an illegal, undeclared labor force are the most common

reasons given for Italian price competitiveness.

Also, added Mrs. Morel, the French must pay more for animal skins — despite the fact that France is the largest producer of raw skins in Europe.

Today in France there are about 2,000 leather goods factories and workshops, employing 22,000.

Only about 450, however, employ more than 10 workers each and they are responsible for almost 85 percent of the production. These plants totaled over \$383 million in turnover in 1980, about \$121 million of which was exported.

And if houses such as Hermès, Vuitton and Céline are doing well it is not only because of the appeal of their goods on the domestic market, but because of their appeal to foreigners and their commercial expansion abroad.

Hermès, which started making saddles and harnesses in 1837 and over the years has diversified out only into other leather goods, but scarves, dresses, perfumes, and jewelry, is one of the few leather goods manufacturers in the world of comparable size and quality that still does most of its work by hand.

About 650 skilled workers in the Hermès shop on the rue du Faubourg St. Honoré are responsible for producing such high-quality best sellers as the "Kelly" bag, which retails at \$1,000 to \$2,500, depending on the kind of leather.

— LINDA BERNIER

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TABLE ARTS

A mixture of tradition, decoration and utility

IN A COUNTRY where cooking has risen to the level of art, it is not surprising that eating utensils and tableware have also developed into an artistic tradition.

"All the visitor here has to do is catch a dazzling glimpse of this historical and beautiful tradition is to stroll along the rue de Paradis, not far from the Folies Bergères. Here, along 500 meters of Parisian pavement are about 30 retail shops displaying the tableware of virtually all of France's major producers.

On the same street is a kind of permanent fair, the Centre International de l'Art de la Table, where retail buyers can choose from the wealth of French craftsmanship: the crystal makers Baccarat, St. Louis, Damm, Lalique and Cristal de Sèvres; the silversmiths Christofle; the porcelain makers of Limoges and Sèvres — to name a few.

But it is its artistic nature that, along with rising labor costs, is causing so many problems in these prestigious halls of French craftsmanship.

"In France there is the industrial imperative which makes it difficult to finance artistic pursuits," noted Stéphane Rose, director general of the world-known crystal house Baccarat, founded in 1764.

After a 20-percent growth rate in the past five or six years, Baccarat's growth has come to a virtual standstill this year, although turnover reached about \$28.3 million last year.

Damm, another of France's finest crystal makers, founded in 1785, was forced to declare insolvency in March, and last month, in a Monte Carlo action, about 100 of its valuable art nouveau pieces were sold in an effort to breathe financial life back into the company.

The disappearance of the crystal house Portieux, founded in 1705, was headed off last month by government action, which provided financial aid and then turned over the capital stock and management of the company to its 260 skilled workers.

Sevres porcelain, produced and sold in Sèvres, just west of Paris, has long been a government enterprise, commissioned in 1756. But the 100 highly skilled workers produce only about 4,000 expensive — \$100 to \$250 per dish — pieces a year. These are used primarily by the government for official gifts and table services. Profit is not the major impetus.

The reason there are so many problems in this sector today, said Laurence de la Grange, a spokeswoman for the Centre International de l'Art de la Table, is that labor costs, which make up about 80 per-

cent of production costs, are so high. She said it is hoped that a government plan, to aid the crystal and porcelain makers will help.

Jean Damm, who was president of Damm from 1965 to 1976, is skeptical. "Ever since the Socialists came to power the crystal business has been doing badly. There are increased social charges and taxes, and the French are buying less luxury goods," he said, noting that Damm sales in France have dropped by 20 percent.

Fortunately, about 50 percent of Damm's output is exported, and after injecting new capital, dismissing some of the unreliable workers on the 200-employee staff and reworking management techniques, Mr. Damm is confident that the company will continue to produce the fine crystalware and exquisite *pâtes de verre* that sculptor work with.

Baccarat, too, exports most of its turnover — 55 percent, or almost two-thirds — counting the cognac canafes it produces for the prestigious cognac firms. Christofle exports 55 percent of its output and Lalique 85 percent.

According to Mr. Rose of Baccarat, the Socialist government is not entirely to blame for the sector's problems. While the Socialists have made production costs greater by increasing labor costs by 6 or 7 percent, he said, "the real cause is the world economic problem."

The Baccarat Museum on the rue de Paradis is a glittering display of past masterpieces and pace-setters of design — sets of glasses for the Elysées and virtually all of the world's past and present beads of state, a candelabra for a czar, a jewelry case for a maharaja, and endless chandeliers, perfume bottles, vases, goblets and decorative pieces.

We're still looking for a new style," said Mr. Rose, explaining that the change to more informal lifestyles and entertaining habits along with the change to the less affluent mass market has posed a challenge for those who want to retain France's traditional and conservative style while adapting it to contemporary needs.

A few years ago, several of the 20 major Limoges porcelain manufacturers tried to modernize their designs but, according to Albert Madroet, who heads the retail firm, Limoges Unic, they did not sell well. "Designers do best in the old style," he believes.

The Scandinavian and Nordic designs, which have become popular, are a challenge to the French. But, said Henri Bouillet, artistic director of the major silverware maker Christofle, "Scandinavian products are tied to a certain gastronomic tradition that is unsuitable for French cooking, which is an increasing trend around the world."

According to Mr. Bouillet, the "French touch" the French *art de vivre*, has been as important to the success of his family's company as the quality of the silver goods it has produced since 1830. These include mostly silver and silver-plated flatware and to a lesser extent — 25 percent of the company's activity — sterling-silver flatware and silver-plated tableware.

After all, said Mr. Bouillet, "we are not selling something that is indispensable. We are selling dreams."

—LINDA BERNIER

'Nose' of perfume industry

NO FIELDS of flowers can be seen when one climbs the hill to Grasse, 10 miles north of Cannes — only the typical red and white rock, green scrubbed *Provencal* landscape. But this hilltop town, with its crowded, tiered, antique architecture, has been the center of perfume making since the 16th century because of its flower fields.

Hidden in the terraced landscape are small family owned fields that produce the enormous quantities of flowers needed for the 32 local perfume makers. Each year 7,000 tons of lavender are harvested, plus 500 tons of roses, 200 tons of orange blossoms, 250

in this town of 32,000 inhabitants, the perfume industry employs 36,000 people. While the industry is thriving, some, such as Claude Hoffman of the two-century-old Fragonard, are pessimistic about the future. Mr. Hoffman said that Fragonard, with its museum and guided tours of the factory, exists to a large extent on tourism. He sees this as insurance that not only his company but the Grasse tradition will survive.

The valuable Côte d'Azur land has induced many farmers to sell. Others have turned to easier crops. A trained picker can gather only 8 pounds of jasmine in one morning (50,000 flowers).

Grasse is not a favorable location for a commercial center but is an ideal place to grow flowers. Only natural essences and synthetics from natural bases are made here.

But in recent decades, techniques for synthetic fragrances have overtaken natural products in the perfume industry. They last longer and offer more than twice as many scents. The natural products of Grasse are still used for the best perfumes. Most of these are a combination of natural ingredients and quality synthetics. None are all natural. The older houses with their older formulas still use a significant amount of natural ingredients. Guerlain's "Jicky" was created in 1889 and Chanel's "No. 5" in 1921.

Most of the perfume creators in the world are French and have usually worked in Grasse. Being a "nose," as a creator of perfume is called, is a specialized skill requiring a knowledge of 3,000 to 4,000 fragrances. There is no training program and attempts to establish a school in the United States have not been successful. Most "noses" grew up in the business, often spending mornings and vacations harvesting flowers.

As organic chemistry rapidly advances, to the detriment of traditional methods, a shortage of "noses" is developing and as synthetics get better every year, this rare artisan may become Grasse's most priceless product.

—MARK J. KURLANSKY

SHOES

Market for handmade styles thrives along with the ready-to-wear trends

Camille Di Mauro at work.

NOT TOO LONG ago many well-to-do Parisians would take a short ride to Belleville to be shod. This working-class district in the eastern part of the city was filled with small and large *ateliers*, which produced all kinds of shoes — ordinary, exclusive, made-to-order and handmade.

These craftsmen have been slowly disappearing in France, replaced by their more competitive Italian counterparts and by a ready-to-wear industry more economically geared to mass-market tastes and needs.

Nevertheless, for those with the desire and the money — for it can cost several thousand francs for a pair of handmade shoes — one can still find high-quality craftsmanship and even made-to-order footwear in France.

What makes a high-quality shoe, according to those in the business, is the quality of the leather, the regularity of the stitching and scales,

should the leather be a serpent's skin, and a discreet or even invisible seam. "A shoe should be so supple that you can fold it in half and it should fit like a glove," craftsmen say.

There are all types of such high-quality shoe firms in Paris. Some are two-to-three craftsmen operations with one shop known to a select few; others have 50 or 100 craftsmen, a name and often sales outlets all over the world.

Camille Di Mauro has a small *atelier* and shop in a back building at 14 rue du Faubourg St. Honoré. Here, at the age of 84, this enchanting, white-haired man continues a shoemaking tradition he began in Sicily and continued when he came to France in 1925.

In the old days, until about 20 years ago, Mr. Di Mauro had about 45 workers and would produce for many shops. Today, he and two workers produce for a limited clientele, which, he says, include French entertainers Sylvie Vartan, Zizi Jeanne-Maire and Dalida. Sasha Ruggieri was one of his favorite customers, he said, holding up one of his finely crafted, lace-embroidered shoes.

Mr. Di Mauro, who specializes in women's shoes but also does men's and elegant orthopedic shoes, charges upward of \$330 for his shoes.

An establishment even older than Di Mauro is Barlotti, at 26 rue Marbeuf, founded in 1882 and continued from father to son to grandson to great-grandson. Today, 17 workers handcraft made-to-order shoes according to the "three-point" method of 100 years ago.

Barlotti's specialty is the "physiologically well-fitted shoe" for men. His style is classical. His prices start at about \$230 for his hand-made ready-to-wear line and at about \$330 for his custom-made shoes, which take about three months to make.

The distinctive colors, fine quality leather and craftsmanship remain the same, however. Mr. Ruggieri said, noting that for certain techniques the Italians are better than the French.

Many high-quality shoes with a

FRENCH LUXURY PRODUCTS

French trademark are partly or entirely produced in Italy — François Villon (100 percent made in Italy), Céline (about 85 percent), Dior (about 30 percent) and Hermès (about 30 percent).

According to André Gaumont of Pinet, a French firm that stopped producing shoes in France in 1934 and has been importing Ferragamo and Magli shoes from Italy for the past 25 years, "it's impossible for France to produce the same high-quality shoes that the Italians produce on such a large scale because of the lack of skilled craftsmen and design creativity and the cost of labor in France."

Harel, at 32 avenue George V, which has been making more classic styled women's shoes from its 100-worker factory in Brittany since 1922, also offers the option of changing gown, a larger width or a lower heel, arrangements can be made for 10 percent of the shoe's cost, which runs from about \$100 to \$335. Men's shoes are slightly more expensive.

Camille Mancini, whose father, René, started making Mancini shoes in the 1950s, at 20 rue Bocca, and 72 avenue Victor Hugo, says it is thanks to the Italian-produced ready-to-wear line that their business has the financial ability to produce its limited collection of handmade, custom-made shoes, which at about \$230 are slightly more expensive.

"Times are changing," she said.

"More people are interested in well-made shoes that are accessible to the average person's budget." And with today's rising labor costs that means ready-to-wear shoes.

—LINDA BERNIER

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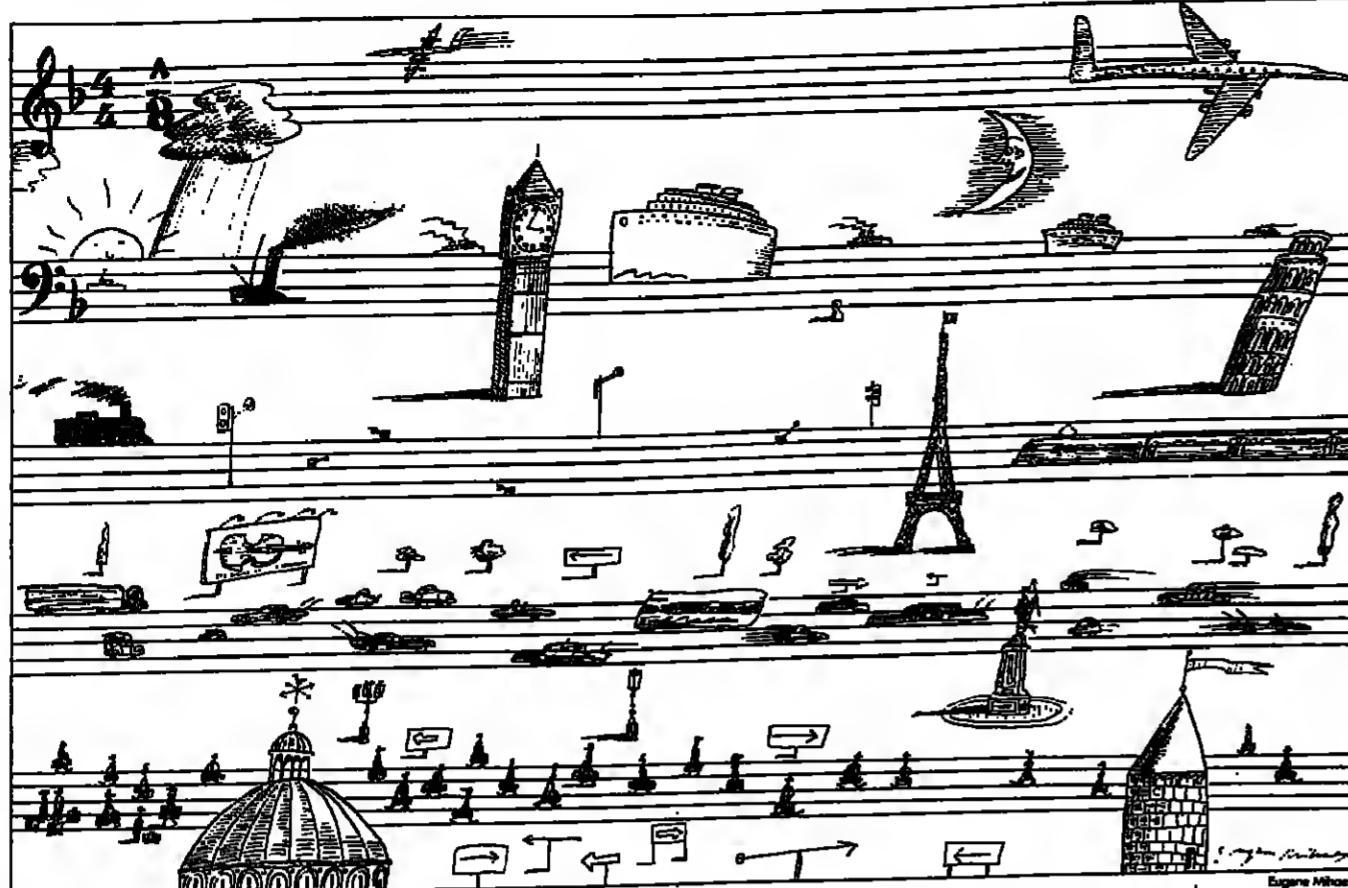
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An Overture to Music Festivals



By Harold C. Schonberg
New York Times Service

IT'S LIKE the story that they used to tell about Herbert von Karajan. The famous, busy conductor gets into a cab. "Where to?" asks the driver. "Mozart or difference," Karajan says. "They want me everywhere."

Thus it is with the traveler and music festivals. No matter where you are, there is a music festival within striking distance, and they want you everywhere. Some of them are sold out well in advance and are famously expensive. Some of them are almost mom-and-pop affairs, unassuming and gentle. Most of them deal with the traditional classics, and the bigger they are the more traditional they tend to be. They have international casts and glamour and are aimed at the music lover. But there is enough variety among European festivals to cater to any taste.

Take the Bayreuth Festival (July 25 to Aug. 28). First of all, you are not going there unless you already have your tickets and accommodations. I mean, you just don't walk up to the Festspielhaus box office and ask for tickets. The theater seats about 2,000, and everybody gets tickets a year or more in advance. Bayreuth is a small town, and accommodations are minimal. Many arrange for rooms well out of the city, renting a car to get to the festival grounds for the 4 p.m. curtain.

Bayreuth is one of the two major European festivals where evening dress is mandatory (the other is Glyndebourne). Many of the younger German males attend wearing black shirts under their dinner jackets. Are they trying to tell us something? Bayreuth has its political as well as its musical mystique, and both are tied up in evening clothes, carrying hampers from Fortnum & Mason or from their own larder. That means champagne, vintage wines, caviar, cold chicken or duck, elegant cheeses, fancy trifles, blankets and an overcoat. All this is for the Glyndebourne picnic, which is as elaborate as Mozart and Rossini are. Blankets are spread over the greenery, and the superb nosh is offered to an audience of interested cows or geese.

At the Vienna Festival (May 8

another thing, never applaud anywhere at a "Parfisal" performance. In any case it is much better to run out directly after the acts. The lines for *wurst* and beer can get very long, and the earlier you get to the counter, the quicker you will be served. It also often rains at Bayreuth. Bring a raincoat.

Of course, a music journalist can do things that the general public cannot. I once sat in the orchestra pit at Bayreuth Festival for an entire act of "Götterdämmerung." That is possible because Wagner had a scrim placed over the orchestra pit. The musicians and conductor were not to be seen; attention was to be focused only on the stage. The scrim also deadens the acoustics somewhat, but that is another story. At this "Götterdämmerung," I was seated among the first violins, and the player next to me was having trouble. I thought he was undergoing a heart attack. He was panting, he was gasping, and he would start a phrase and then put his violin on his lap. Rudolf Kempe, the conductor, was greatly concerned, but there was nothing he could do. At the end of the act the violinist was carried out. It turned out to be acute indigestion.

Floating Stage

More fun is the Volksoper, the home of operetta. Of course "Die Fledermaus" or "The Gypsy Baron" or the other Johann Strauss favorites are always around. But so is "Kiss Me Kate" in a prime Viennese kiss. And you've never lived until you have heard "Brush up your Shakespeare" come out as "Schlog nach mir jeder Frau." As a matter of fact, Viennese operettas at the Volksoper can be a revelation.

They have casts there with real voices as well as acting ability, and the tradition is so thick that odd can all but reach out and caress it.

Talking about Johann Strauss, the Bregenz Festival (July 21 to Aug. 22) is doing "The Gypsy Baron" on the floating stage on Lake Constance. Bregenz officials give you amazing stories about the acoustics — how the sound bounces off the water, how one can bear a pin drop. What they do not mention are the loudspeakers all over the place, with resultant hi-fi sound in its more hideous aspects. Yet there is something relaxing about hearing light music in such a lovely locale.

The Salzburg Festival (July 25 to Aug. 30) takes place in the city where Mozart was born and is one of the most glamorous and expensive of European music festivals.

There is something ironic about the fact that Mozart hated Salzburg, got out as soon as he could and never returned. The place had bad vibes for him, made all the worse by the fact that he was literally booted out of his backside by a functionary of the archbishop.

Salzburgers do not like to be reminded that Mozart is big business in Salzburg, you can buy Mozart cookies and candies, Mozart busts, replicas of Mozart scores,

to June 13) the big attraction is the Vienna State Opera, one of the great opera houses of the world. Tickets should be arranged in advance. At intermission one joins the stately counter-clockwise procession in the big salon containing the "Magic Flute" tapestries. For music lovers, that may be even more interesting than the performances. The repertory is generally standard, with much the same casts that one encounters in London, New York or Milan.

Mozart postcards, Mozart everything.

At the Salzburg Festival Herbert von Karajan holds forth, and his name commands tickets up to \$140. That does not prevent sold-out houses in the unattractive, acoustically poor Grosses Festspielhaus, a house that is too wide in relation to its length and which has been forced to fall back upon "assisted resonance" which means electronic help.

The city is a madhouse during the festival weeks, with lederschlaedl Austrians and sport-minded Americans tramping the streets, and desperate hotels trying to maintain a shred of service. This year the lineup is as prestigious as ever. Salzburg is a small town, and music lovers who stay for the entire festival are sure to meet some of the musicians. This can mean added hero worship, on the other hand, a ladeown.

Not all famous musicians are charming, intelligent or good looking. But one thing they do superbly well is gossip, and if you become friends, or even passing acquaintances, you are going to hear many vicious malicious stories over dinner or at a bar about the foibles of their colleagues, including those of "user Karajan."

Czech Mates

That often is one of the nicest things about festival hopping: making new friends. You can even do that at Soviet-bloc festivals. At the Prague Spring (May 12 to June 4), for instance, you will not only hear lovely offbeat operas by the Czech heroes — Smetana, Dvorak and Janacek. The chances are that you will also come into contact with Czech intellectuals who love to talk. Such talk is, of course, dangerous, but that has never stopped Czechs, although in the present climate they will be very guarded until they size you up and know you are not a blabbermouth. If you gain their confidence you will come away knowing a great deal more about that unhappy country, as well as having been exposed to a great deal of Czech music. The last time I was there I met a man in the film industry who briefed me on Czech filmmaking and politics and took me through the studios. What he told me about his Communist masters is unprintable.

Highlights of '82 Fêtes — Part 1

International Herald Tribune

PARIS — Following is the first of a series of listings of some of this year's music and arts fests:

Chichester (Sept. 25): The 21st season of the Festival Theatre offers Shaw's rarely performed "On the Rocks," with Glynn John and Keith Mitchell; Sandy Wilson's musical "Valentines"; with Fenella Fielding and Robert Palmer; and "The Wizard of Oz" by Keith Baxter, with Jean Plowright, and "Goodbye Mr. Chips," a new musical by Leslie Bricusse based on James Hilton's novel, with John Mills. (Festive Theatre, Oakland Park, Chichester, West Sussex, PO14 4AP, England.)

* * *

Bordeaux (May 7-23): Georges Braque will be represented for the centenary of his birth in an exhibition at the Galerie des Beaux-Arts and in the sets and costumes of a ballet program to music by Milhaud and Auriac. Musically, there will be concerts by the Orchestre National de Bordeaux and the Ensemble des Champs Elysees in the Musicares festival.

Vienna (May 8-June 13): Haydn's 250th birthday is being celebrated in the concert hall, with the oratorio "The Creation" with Herbert von Karajan and the Vienna Philharmonic, in the theater, with the opera "Orlando Paladino," and the marionette opera "Die Feuerzangenbowle" in ballet programs in the Theater an der Wien, and the State Opera, with the operas "Die Zauberflöte" and "Die Fledermaus." (Theater an der Wien, Karlsplatz 4, A-1010 Vienna, Austria.)

* * *

Florence (May 9-July 4): The 45th Maggio Musicale offers a Stravinsky ballet double bill and "The Rake's Progress." Prokofiev's "Betrothal in Monostir," the world premiere of Romano Pizzetti's "The Dancer," The Netherlands Dans Theater, along with a program of orchestral concerts and recitals. (Teatro Comunale, Corso Italia 16, I-50123 Florence, Italy.)

* * *

Prague (May 12-June 4): The National Theater lists native operas by Smetana, Foerster and Kaslik, among others, as well as guest appearances by the National Theater and the Moscow's Bolshoi Ballet.

This year's ground of East and West European music and musicians has the Lenigrad Philharmonic, Dresden Staatskapelle,

Vienna Symphony, La Salle Quarter, Manzini, Pollini, Philippe Entremont, Leonid Kogan, and virtually all top-ranking conductors, soloists and chamber ensembles.

Amidst the hoopla, there are also ballets and soloists. (Prague Spring, Dum music, Alceste Národní 12, 110 00 Prague 1, Czechoslovakia.)

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NYSE Nationwide Trading Closing Prices May 6

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 12)

12 Month Stock	High	Low	Div.	In	5 Yrd	P/E	100s	High	Low	Quot.	Close	Prev.
1114 5 HRT	16	15			14	14	14	16	15	16	15	15
3314 216 Hallib	125	120			125	120	120	125	120	125	120	120
7024 277 Hark	125	120			125	120	120	125	120	125	120	120
10 10 Hark	147	142			147	142	142	147	142	147	142	142
1976 1977 Hark	147	142			147	142	142	147	142	147	142	142
3612 129 Hark	125	120			125	120	120	125	120	125	120	120
2024 131 Hark	125	120			125	120	120	125	120	125	120	120
2024 132 Hark	125	120			125	120	120	125	120	125	120	120
2024 133 Hark	125	120			125	120	120	125	120	125	120	120
2024 134 Hark	125	120			125	120	120	125	120	125	120	120
2024 135 Hark	125	120			125	120	120	125	120	125	120	120
2024 136 Hark	125	120			125	120	120	125	120	125	120	120
2024 137 Hark	125	120			125	120	120	125	120	125	120	120
2024 138 Hark	125	120			125	120	120	125	120	125	120	120
2024 139 Hark	125	120			125	120	120	125	120	125	120	120
2024 140 Hark	125	120			125	120	120	125	120	125	120	120
2024 141 Hark	125	120			125	120	120	125	120	125	120	120
2024 142 Hark	125	120			125	120	120	125	120	125	120	120
2024 143 Hark	125	120			125	120	120	125	120	125	120	120
2024 144 Hark	125	120			125	120	120	125	120	125	120	120
2024 145 Hark	125	120			125	120	120	125	120	125	120	120
2024 146 Hark	125	120			125	120	120	125	120	125	120	120
2024 147 Hark	125	120			125	120	120	125	120	125	120	120
2024 148 Hark	125	120			125	120	120	125	120	125	120	120
2024 149 Hark	125	120			125	120	120	125	120	125	120	120
2024 150 Hark	125	120			125	120	120	125	120	125	120	120
2024 151 Hark	125	120			125	120	120	125	120	125	120	120
2024 152 Hark	125	120			125	120	120	125	120	125	120	120
2024 153 Hark	125	120			125	120	120	125	120	125	120	120
2024 154 Hark	125	120			125	120	120	125	120	125	120	120
2024 155 Hark	125	120			125	120	120	125	120	125	120	120
2024 156 Hark	125	120			125	120	120	125	120	125	120	120
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2024 159 Hark	125	120			125	120	120	125	120	125	120	120
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2024 163 Hark	125	120			125	120	120	125	120	125	120	120
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2024 165 Hark	125	120			125	120	120	125	120	125	120	120
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2024 168 Hark	125	120			125	120	120	125	120	125	120	120
2024 169 Hark	125	120			125	120	120	125	120	125	120	120
2024 170 Hark	125	120			125	120	120	125	120	125	120	120
2024 171 Hark	125	120			125	120	120	125	120	125	120	120
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2024 181 Hark	125	120			125	120	120	125	120	125	120	120
2024 182 Hark	125	120			125	120	120	125	120	125	120	120
2024 183 Hark	125	120			125	120	120	125	120	125	120	120
2024 184 Hark	125	120			125	120	120	125	120	125	120	120
2024 185 Hark	125	120			125	120	120	125	120	125	120	120
2024 186 Hark	125	120			125	120	120	125	120	125	120	120
2024 187 Hark	125	120			125	120	120	125	120	125	120	120
2024 188 Hark	125	120			125	120	120	125	120	125	120	120
2024 189 Hark	125	120			125	120	120	125	120	125	120	120
2024 190 Hark	125	120			125	120	120	125	120	125	120	120
2024 191 Hark	125	120			125	120	120	125	120	125		

Unrest in Poland May Complicate Loan Talks

By John Tagliabue
New York Times Service

BERLIN — The reviewed unrest in Poland is expected to complicate talks planned this week on the rescheduling of loan and interest repayments that Warsaw is due to make this year.

Poland's 1982 debt to Western governments and banks is estimated at \$10.4 billion in principal and interest, including about \$2.5 billion in principal and \$2 billion in interest owed to Western banks.

High-ranking Polish bank officials are to hold talks this week in London with British bankers on rescheduling all of the 1982 bank debt, including interest, an unusually far-reaching request. They may also seek new loans.

Several non-NATO countries, including Austria and Switzerland, have been softening their attitudes toward aid to Poland. But the new crackdown in Poland could stiffen Western resistance to aid and

harden the views within NATO.

"It can complicate the process," a West German bank official said. "It has immense psychological and possibly political effects."

Secretary of State Alexander M. Haig Jr., in testimony to a Congressional subcommittee this week, restated U.S. resistance to a lesser credit policy toward Poland.

An official at the London office of Bank Handlowy, Poland's foreign trade bank, said that the bank's chairman, Marian Minkiewicz, would meet representatives of Poland's British clearing banks.

Mr. Minkiewicz is expected to test the bankers' receptivity to possible new loans to Poland to finance the industrial imports that Warsaw says it needs if it is to pay interest owed this year.

Polish officials said that without such help, they might be forced to seek rescheduling of both the principal and interest owed.

Such a full rescheduling would set an unwanted precedent, according to many Western bankers. Particularly in Britain and the United States, rescheduling of the principal of loans is undertaken ordinarily on condition that interest payments be met.

In April, Polish and Western banking officials signed an agreement in Frankfurt to postpone payment of most of the principal owed to Western banks in 1981, but the banks insisted that Poland pay the interest due.

Poland was able to meet the 1981 interest payments partly because Western bank loans to purchase raw materials and semimanufactured products for industry lessened the demands on Poland's reserves of hard currency.

But after the crackdown in December, member governments of NATO refused to grant direct loans or to guarantee commercial bank loans until Poland returned

to normal.

Western bankers generally refuse to grant additional loans without government backing and in coming weeks will be seeking clarification from their governments on export credit policy.

Debt Restructuring Urged

VIENNA (Reuters) — The Creditanstalt-Bankverein said Thursday that it seems sensible to restructure Polish debt after a consolidation phase, rather than rescheduling the amounts falling due each year.

Poland's creditors should ensure in their rescheduling negotiations that the potential of the Polish economy is used, the Austrian bank said, by attaching conditions to any rescheduling and working out an economic program for Poland that would ensure that commitments can be fulfilled according to plan, Creditanstalt said.

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COMPANY REPORTS

(Continued from Page 13)

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Australia

Min Holdings

1st Quarter 1982 1981

Revenue 48.01 57.03

Profits 7.44

Britain

Royal Bank of Scotland

4 Months 1982 1981

Profits 39.5 22.3

Canada

Canadian Pacific

1st Quarter 1982 1981

Revenue 3,990.0 2,800.0

Profits 46.9 133.4

Per Share 0.45 1.86

France

France des Petroles

Year 1981 1980

Revenue 670.00 5,099.00

Profits 121,260.0 101,040.0

Philippines

Benguet

1st Quarter 1982 1981

Revenue 534 573

Profits 2.00 7.40

Per Share 0.06 0.25

United States

General Dynamics

1st Quarter 1982 1981

Revenue 1,280.0 1,240.0

Profits 26.3 30.8

Per Share 0.51 0.54

West Germany

Siemens

1st Quarter 1982 1981

Revenue 18,100.0 15,900.0

Profits 313.00 264.00

Japan's Farmers Fight to Keep Trade Walls

are difficult to measure and often are part of Japanese culture and tradition.

Progress in eradicating the non-tariff barriers will necessarily be slow and, like the barriers themselves, difficult to measure. But a significant reduction in the agricultural restrictions would be a clear-cut move that could be very helpful in Japan's efforts to ease trade frictions with its key trading partners.

The difficulty for the ruling Liberal Democratic Party is that it is dependent on the farm vote. The reason, basically, is that while Japan's cities have grown enormously in the past three decades, the voting districts have not been redrawn to reflect sufficiently the population shift. Also, the Liberal Democrats fare best in the rural districts.

Security Cited

In the demonstration in Tokyo last Friday, Shizuma Iwamochi, president of the Central Union of Agricultural Cooperatives, attacked Japan's industrial leaders for "behaving like economic animals" by exporting manufactured goods "without moderation." Mr. Iwamochi assured the farmers that to protect Japan's agriculture he would fight "to the death."

Furthermore, the Japanese curbs on farm imports are straightforward and quantitative. In contrast the much-debated "non-tariff" barriers, such as buy-Japan attitudes — said to be an important factor in keeping foreign goods out of the Japanese market — are often called "invisible" because they

CHASE ECONOMETRICS/I.D.C.

is organizing a Conference at the Palais des Congrès in Paris on May 13 and 14, 1982.

The topic is:

"WORLD ECONOMIC OUTLOOK"

Several speakers will give their opinion including:

- Monsieur MICHEL JOBERT, State Minister, External Trade Minister;
- Monsieur LIONEL OLMER, Under Secretary for Foreign and International Trade.

For information please contact:

Jenny van der Heyde, in Brussels.

Tel: 2-511 68 64
or: 2-511 11 44

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Lux.Fr. 500,000,000.—

Holders of the above mentioned loan are hereby informed that the annual instalment of Lux.Fr. 50,000,000.— due June 30th, 1982 has been effected by repurchase in the market so that no drawing by lot will take place.

The principal amount of bonds outstanding after the amortization of June 30th, 1982 will be Lux.Fr. 250,000,000.—

BANQUE INTERNATIONALE À LUXEMBOURG
Société Anonyme
Frating Agent

Luxembourg, May 7, 1982.

Gold Options (prices in \$/oz.)

May 4, 1982

A.M. P.M. N.Y.

300 9.50-11.00 28.00-31.00 —

250 3.20-5.50 18.00-21.00 22.00-32.00

200 1.00-2.00 8.00-11.00 22.00-25.00

150 — — 5.00-8.00 17.00-20.00

100 — — 3.00-5.00 10.00-13.00

Gold 34.30-37.00

Gold

Celtics, Spurs Gain Conference Finals; Bucks Stay Alive

The Associated Press

BOSTON — The Boston Celtics and San Antonio Spurs won their respective conference semifinal series in the National Basketball Association playoffs Wednesday.

NBA PLAYOFFS

night, while the Milwaukee Bucks stayed alive with a victory over the Philadelphia 76ers.

In Boston, Robert Parish scored 33 points, three of them on a key three-point play in the second overtime, to boost the Celtics to a 131-126 victory over the Washington Bullets. The triumph gave the Celtics a 4-1 victory in the series.

The Celtics will continue the defense of their NBA title in a best-of-seven Eastern Conference final against the winner of the Philadelphia-Milwaukee series. The Bucks trail, three games to two, after beating the 76ers, 110-98.

The Bullets seemed on the brink of elimination earlier in the game when Boston rolled into an 18-point lead late in the third quarter. But they scored 16 of the final 19 points of the fourth quarter, with Frank Johnson connecting on three three-point field goals to send the game into overtime tied, 106-106.

Kevin McHale converted a rebound of Nate Archibald's miss with one second left in the first overtime to the score, 119-119.

Washington went ahead, 126-125, on a free throw by Johnson with 1:37 left in the second overtime. But Boston took the lead for good on Gerald Henderson's driving layup with 1:28 to go.

With 41 seconds remaining, Parish laid in the ball after grabbing an offensive rebound. He was fouled by Rick Mahorn, and made the free throw. Cedric Maxwell's foul shot with 10 seconds left finished the scoring.

Larry Bird and Maxwell each scored 26 points for Boston. Jeff Reardon scored 33 points for Washington, which also got 22 from Johnson and 21 from Spencer Haywood.

And only 10 days earlier, Boston had won 100-98.

Thomas, George, Kevin scored 26 points and Mike Mitchell added 24 to lead San Antonio to a 109-103 victory over Seattle. The triumph eliminated the SuperSonics from the playoffs, four

games to one, and advanced the Spurs, the Midwest Division champions, into the Western Conference final against the Los Angeles Lakers.

Mitchell, acquired at mid-season in a trade with Cleveland, scored 10 of his points in the final quarter. Mark Olberding had 18, and reserve center Dave Corzine tallied 14 for the Spurs. Gus Williams led the Sonics with 36 points.

* * *

In Philadelphia, Brian Winters and Mickey Johnson paced a burst of 12 consecutive points midway through the fourth quarter to propel Milwaukee over Philadelphia, 110-98, keeping the Bucks alive in their NBA Eastern Conference semifinal. Game 5 is set for Friday night in Milwaukee.

The two teams were tied, 51-51 at halftime and 79-79 entering the fourth quarter, before the Bucks outscored Philadelphia, 31-19, in the final period.

Winters sank two jumpers and Johnson hit two free throws and a basket. Then field goals by Harvey Catchings and Sidney Moncrief gave the Bucks a 101-87 lead with 4:47 left to play.

Bob Lanier led the Bucks with 27 points. Winters added 23, and Moncrief scored 20. Julius Erving led Philadelphia with 28 points, and Andrew Toney scored 19.

FIGHT POSTPONED — Thomas Hearns shows how he fell on his hand in training last month, injuring the little finger. The mishap will prevent him from challenging Marvin Hagler for the world middleweight title May 24 in Windsor, Ontario, as scheduled. Promoter Bob Arum said doctors agreed that Hearns would not be able to fight again for at least 30 days.

Hearns' 6-3, 6-4 victory over Stefan Simonsson of Sweden, who had upset eighth-seeded Mark Edmondson of Australia, served as the match against Tim Wilkison at 6-5 in the second set of their second-round meeting. But Wilkison broke, recovered from 2-4 in the tie-breaker and took it, 7-5. Then he swept the third set for a 2-6, 7-6, 6-1 triumph.

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McEnroe, Gerulaitis, Clerc Advance

New York Times Service

NEW YORK — John McEnroe, Vitas Gerulaitis and José Luis Clerc won in the stadium; Eddie Dibbs sharpened his strokes in the grandstand, and Mel Purcell labored on a field court in the Tournament of Champions Wednesday at Forest Hills.

Dibbs, the defending champion, handed Rod Frawley of Australia, 6-3, 6-2, and could face McEnroe in the semifinals. Eddie Edwards of South Africa, the conqueror of fourth-seeded Johan Kriek, outlasted Jim Delaney, 7-6, 4-6, 7-5, in 2 hours 11 minutes and moved into Dibbs' path. In the third set, which had five deuce games, Ed

** "I know I'm good enough," said the 12th-seeded Purcell, who trailed, 1-4, in the second set but said he still felt confident on the Har-Tru courts at the West Side Tennis Club. "I have the tools to take advantage of them. I'm getting older, and the older you get, the clearer those things get."

Gerulaitis is playing well — composed, patient and poised for a possible meeting with Ivan Lendl in the quarterfinals. He beat Dick Stockton, 7-5, 7-6, and doves as Arthur Ashe's trump card for Davis Cup singles duty with McEnroe, if Jimmy Connors decides not to play.

McEnroe beat Russell Simmons of New Zealand, 6-1, 6-2, and was to meet Shlomo Gluckstein of Israel on Thursday. Clerc also reached the last 16 with a 6-4, 6-2 triumph over Mario Manceur of Bolivia, who had toppled Wojciech Fibak.

Ashe was at the net, hoping to confer with Gerulaitis. The U.S. faces Sweden in the Davis Cup quarterfinals, with a possible

wards saved two break points in serving at 6-3.

Stefan Simonsson of Sweden, who had upset eighth-seeded Mark Edmondson of Australia, served as the match against Tim Wilkison at 6-5 in the second set of their second-round meeting. But Wilkison broke, recovered from 2-4 in the tie-breaker and took it, 7-5. Then he swept the third set for a 2-6, 7-6, 6-1 triumph.

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Easy Round for Lloyd

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Hana Mandlikova, seeded No. 2, eliminated 17-year-old Susan Masic, 6-2, 6-3, and Billie Jean King defeated Ivanna Madriga-Osces of Argentina, 6-1, 6-4, 6-4, King, winner of the Italian Open in 1970, will face third-seeded Sylvie Hanika in the quarterfinals. Hanika was a 6-1, 6-3 winner over Kate Latham.

Lisa Bonder, ranked 103rd in the world, coontinued her upset run in the tourney, ousting 12th-seeded In Doria of Britain, 6-3, 6-1, in the third round. Bonder beat fifth-seeded Kathy Rinaldi on Wednesday.

Austin is now third on the computer rankings, followed by Andrea Jaeger and Hana Mandlikova.

Navratilova Ranked No. 1

The Associated Press

NEW YORK — Martina Navratilova has replaced Chris Evert Lloyd as the world's No. 1 ranked women's tennis player, the Women's Tennis Association announced. Navratilova has won seven of eight tournaments this year, losing only to Sylvia Hanika in the final of the winter tour championships in March.

Lloyd, who has captured only one of the three tournaments in which she has played this year, had held the top spot since July, 1980, when she replaced Tracy Austin.

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Lisa Bonder, ranked 103rd in the world, coontinued her upset run in the tourney, ousting 12th-seeded In Doria of Britain, 6-3, 6-1, in the third round. Bonder beat fifth-seeded Kathy Rinaldi on Wednesday.

Easy Round for Lloyd

PERUGIA, Italy (AP) — Chris Evert Lloyd cruised through the third round of the Italian Open tennis tournament Thursday with a 6-2, 6-1 victory over Rosalyn Fairbank.

Lloyd, a four-time Italian Open champion, will face ninth-seeded Bonnie Gadusek in the quarterfinals. Gadusek advanced with a 6-1, 7-5 upset over eighth-seeded Sandy Collins.

Hana Mandlikova, seeded No. 2, eliminated 17-year-old Susan Masic, 6-2, 6-3, and Billie Jean King defeated Ivanna Madriga-Osces of Argentina, 6-1, 6-4, 6-4, King, winner of the Italian Open in 1970, will face third-seeded Sylvie Hanika in the quarterfinals. Hanika was a 6-1, 6-3 winner over Kate Latham.

Lisa Bonder, ranked 1

